

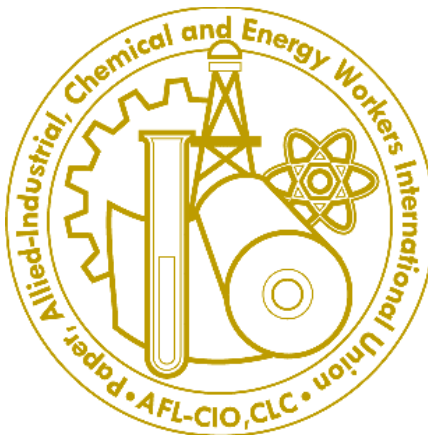


Contract and Addendum Between

**BECHTEL JACOBS COMPANY LLC AND ITS
SUBCONTRACTORS, PADUCAH SITE
Hereinafter referred to as the “Company”**

and

**PAPER, ALLIED-INDUSTRIAL, CHEMICAL AND
ENERGY WORKERS INTERNATIONAL UNION
AND ITS LOCAL NO. 5-550
Hereinafter referred to as the “Union”**



July 16, 2001 - July 31, 2005

CONTRACT AND ADDENDUM BETWEEN

BECHTEL JACOBS COMPANY LLC AND ITS
SUBCONTRACTORS, PADUCAH SITE
Hereinafter referred to as the "Company"

and

PAPER, ALLIED-INDUSTRIAL, CHEMICAL, AND
ENERGY WORKERS INTERNATIONAL UNION
AND ITS LOCAL NO. 5-550
Hereinafter referred to as the "Union"

July 16, 2001 - July 31, 2005

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - PURPOSE	1
ARTICLE II - RECOGNITION	1
Section 1 - Recognition	1
Section 2 - Employees defined	1
Section 3 - Pre-contract Incidents	1
Section 4 - Anti-Discrimination, Solicitation	1
ARTICLE III - UNION-COMPANY RELATIONS	1
Section 1 - Union Membership	1
Section 2 - Dues Deduction	1
Section 3 - Escape Periods	2
Section 4 - Authorization Form	2
ARTICLE IV - CONTINUITY OF OPERATION	2
Section 1 - Continuity of Operation	2
Section 2 - Security	2
ARTICLE V - RESPONSIBILITIES	3
ARTICLE VI - HOURS OF WORK	3
Section 1 - Definitions	3
a. Payroll Week	3
b. Normal Workweek	3
c. Normal Workday	3
d. Normal Hours - Shift	3
e. Normal Hours - Day	3
f. Working Schedule	3
g. Shift Rules	4
Section 2 - Work Schedule Adjustments	4
a. Hours Not Limited	4
b. Schedule Changes	4
c. Not Offsetting Overtime	4
d. Shift Change Pay	4
Section 3 - Overtime Premium Pay	4
Section 4 - Call-In Pay	4
Section 5 - Reporting Pay	5
Section 6 - Overtime Distribution	5
Section 7 - Meal Allowance	5
Section 8 - Holidays	6
Section 9 - Seventh Day Premium Pay	6
Section 10 - Non-Pyramiding	6

Section 11 - Shift Trades	7
Section 12 - Jury Duty Pay	7
Section 13 - Voting Time Pay	7
Section 14 - Time Not Worked	7
Section 15 - Funeral Pay	7
ARTICLE VII - WAGES.....	8
Section 1 - Effective Date	8
Section 2 - Shift Premium	8
Section 3 - Nondiscrimination - Sex	8
Section 4 - Permanent Transfers	8
Section 5 - Temporary Transfers.....	8
Section 6 - Weekend Premium	8
Section 7 - Cost of Living Allowance	8
Section 8 - Shift Turnover	10
ARTICLE VIII - LAYOFF ALLOWANCE.....	10
Section 1 - Schedule	10
Section 2 - Base Date	10
Section 3 - Retirement Termination	10
Section 4 - Successor or Assigns.....	10
ARTICLE IX - DISABILITY PAY	11
Section 1 - Short Term	11
Section 2 - Long Term.....	11
Section 3 - Conditions of Payment.....	12
Section 4 - Administration of Plans	12
Section 5 - Company Service Credit During Approved Nonoccupational or Occupational Absences	13
ARTICLE X - LEAVE OF ABSENCE	13
Section 1 - Personal Leave	13
Section 2 - Union Officials.....	13
Section 3 - Reinstatement.....	14
Section 4 - Group Insurance	14
Section 5 - Hospitalization	14
Section 6 - FMLA	14
ARTICLE XI - VACATIONS	14
ARTICLE XII - SENIORITY.....	15
Section 1 - Definitions.....	15
Section 2 - Seniority	15
Section 3 - Reduction in Force	16
Section 4 - Filling Vacancy	16
Section 5 - Transfers Outside Unit.....	17

Section 6 - Seniority List.....	17
ARTICLE XIII - GRIEVANCE PROCEDURE.....	17
Section 1 - Representation.....	17
Section 2 - Grievance Steps.....	18
Section 3 - Company Decision.....	18
Section 4 - Time Limits.....	18
Section 5 - Calculation of Time	19
Section 6 - Certification of Union Representatives.....	19
Section 7 - Settlements.....	19
ARTICLE XIV - ARBITRATION	19
Section 1 - Arbitration.....	19
Section 2 - Appeal to Arbitration and Authority of Arbitrator	19
Section 3 - Expense, Security.....	19
Section 4 - Witnesses	20
Section 5 - Arbitrator, Time Limits.....	20
ARTICLE XV - MISCELLANEOUS	20
Section 1 - Non-Bargaining Unit Personnel Performing Work	20
Section 2 - Safety Committee.....	20
Section 3 - Health and Safety	21
Section 4 - Bulletin Boards	21
Section 5 - No Discrimination.....	21
Section 6 - Coveralls, Thermal Underwear	21
Section 7 - Reprimands	21
Section 8 - Telephone Calls Received At Home.....	21
Section 9 - CDL Premium For Truck Drivers.....	21
Section 10 - Benefit Representative & ES&H Representative	21
ARTICLE XVI - EDUCATIONAL ASSISTANCE	21
ARTICLE XVII - TERM OF CONTRACT	22
Section 1 - Successor or Assigns.....	22
Section 2 - Duration	22
APPENDIX A WAGE SCALE	23
GENERAL PROVISIONS	27
TABLE II - JOB CLASSIFICATION	28
APPENDIX B - JOB CLASSIFICATION GROUP LISTING	29
APPENDIX C - VACATION REGULATIONS	31

APPENDIX D - COMPANY SERVICE CREDIT RULES	36
APPENDIX E - PERSONAL ABSENCE WITHOUT PAY	37
PENSION, GROUP INSURANCE AND DENTAL AGREEMENT	38
Part A - Pension Plan.....	38
Part B - Group Insurance Plan.....	38
Part C - Dental Insurance Plan	39
Part D - General Provisions.....	39
MEMORANDUM OF AGREEMENT, HEALTH CARE PLAN.....	39
ADMINISTRATIVE LETTERS	40
ADDENDUM	A-1

INDEX BY SUBJECT MATTER

	<u>Page</u>
Absences:	
Disability	11
Funeral	7
Jury Duty	7
Leave of Absence	13
Voting Time	7
Administrative Letters	40-50
Arbitration	19
Bulletin Boards	21
Call-In, Overtime	4
CDL Premium	21
Changes in Working Schedule	4
Clothing	21
Committees:	
Grievance Committee	18
Safety Advisory Committee	20
Company Responsibilities	3
Company Service Credit Rules	34
Cost of Living Allowance	8
Definitions	3
Delayed Lunch Period	3
Disability Pay:	
Nonoccupational	11
Occupational	11
Payment Schedule	13
Condition of Payment	13
Short Term	11
Wage Increase	42

Long Term	11
Disciplinary Suspension or Discharge.....	3, 19
2 Day Suspension.....	44
Discrimination:	
Nondiscrimination Clause.....	21
Double Time	6
Educational Assistance	21
FMLA	14
General Provisions.....	27
Grievance Procedure.....	17
Group Insurance Plan.....	36
Health Care Plan	39
Holidays	6
Temporarily Reclassified.....	41
Hours of Work	3
Job Bidding.....	16
Job Classifications:	
Job Classification and Rate Groups.....	28
Job Classification Groups (Seniority).....	29
Jury Duty.....	7
Layoff Allowance	10
Layoff Procedure	16
Leave of Absence.....	13
Loss of Seniority.....	15
Meal Allowance.....	5
Merit Progression Increases (General Provisions)	27

Miscellaneous	20
No Strike Clause	2
Pension Plan.....	36
Overtime	4
Call-In	4
Double Time	6
Pension, Group Insurance and Dental Agreement.....	38
Permanent Restriction.....	40
Personal Absence Without Pay	35
Physically Handicapped.....	16
Probationary Period	15, 27
Promotions	27
Recall List.....	15, 17
Reduction in Force (Procedure).....	16
Rehiring	34
Reprimands	44
Retirement Layoff Allowance.....	10
Safety	20
Security	2
Seniority.....	15
Seniority List.....	15
Recall List	15
Seniority Groups	29
Shift Preference.....	4

Shift Premium	8
Shift Change.....	4
Shift Trading	7
Shift, "12-hour"	49
Shift, "10-hour"	52
Sleeping Accommodations, Overtime	5
Summer Worker Agreement	51
Telephone Calls Received At Home.....	21
Temporary Reassignment	8
Term of Contract.....	22
Transfers, Work Groups.....	46
Union/Company Relationship.....	1
Union Dues	1
Union Membership	1
Union Recognition.....	1
Union Representatives	17
Vacancies, Filling of.....	16
Vacation Eligibility	14
Vacation Regulations.....	31
Carry Forward Option.....	33
Disability Absence.....	34
Pay in Lieu of.....	32
Scheduling	33
Split Week.....	33
Temporarily Reclassified.....	41
Voting Time	7

Wages.....	8
Disability.....	42
Schedules:	
July 16, 2001.....	23
July 15, 2002.....	24
July 14, 2003.....	25
July 19, 2004.....	26
Weekend Premium.....	8
Work Assignment:	
Selection and Direction of Working Force.....	3
Work by Non-Bargaining Unit Personnel and Research Personnel	20
Work by First-Line Managers.....	45
Working Schedule.....	3
Work Groups.....	46

NOTES

NOTES

NOTES

ARTICLE I PURPOSE

It is the intent of the parties that this contract will constitute the complete agreement between the parties hereto, and that no additions, waivers, deletions, changes or amendments shall be made during the term of this contract except by written agreement of the parties.

ARTICLE II RECOGNITION

Section 1. In conformity with the Labor-Management Relations Act, the Company recognizes the Union as the sole and exclusive bargaining agent for all hourly rated employees, excluding Guards and salaried employees (semi-monthly or weekly), with respect to rates of pay, wages, hours of employment, and other conditions of employment.

Section 2. The term "employee" as used herein will mean any person represented by the Union as described in Section 1 above. For the purpose of this Agreement the use of the masculine pronoun or derivative thereof shall be applied as to include both male and female.

Section 3. It is understood that no incident which occurred prior to the effective date of this contract shall be the subject of complaint under any of the procedures provided in this contract. Grievances arising under the terms of the previous contract shall be processed in accordance with such terms.

Section 4. The Company agrees not to interfere with the right of employees to join or belong to the Union and the Union agrees not to intimidate or coerce employees to join the Union. The Company further agrees not to discriminate against any employee on account of Union membership or Union activity, and the Union agrees neither to solicit for membership, collect Union funds, nor to engage in other Union activity on Company time unless specifically provided for in this contract.

ARTICLE III UNION-COMPANY RELATIONSHIP

Section 1. All employees within the Bargaining Unit who are members of the Union upon the execution of this Contract shall, as a condition of employment, maintain their membership to the extent of tendering the periodic dues uniformly required as a condition of retaining membership. All employees in the Bargaining Unit who are not members of the Union upon the execution of this Contract, will within thirty (30) days join the Union, and shall at all times thereafter maintain their membership in the Union as a condition of employment, as set forth above.

Section 2. Upon receipt of proper written authorization from an employee, the Company agrees to deduct from the wages of said employee dues uniformly applicable to all members as certified to the Company by the Union. Payroll deductions of appropriate incremental amounts will be made on a weekly basis until the regular monthly dues amount has been collected unless the employee's paychecks during the month are insufficient to cover the monthly dues amount. Dues deducted and collected for the month will be forwarded to the Financial Secretary of the Union.

Section 3. An employee while this contract is in effect may revoke his dues authorization only during the fifteen (15) day period immediately preceding each anniversary date of this contract becoming effective, and each succeeding year this contract is automatically renewed, by sending written notice registered mail (includes certified mail) to the Company with a copy to the Union.

Section 4. The dues assignment and authorization form shall read as follows:

I, _____
Name

Badge No.:

have accepted membership in Paper, Allied-Industrial, Chemical, and Energy Workers, International Union, Local 5-550, and hereby assign to the said Local Union during the time I am an employee of Bechtel Jacobs Company LLC, Paducah site and while I am in the Bargaining Unit represented by the said Local Union an amount equal to the regular uniform monthly dues established by said Local Union in accordance with its Constitution and By-Laws, payable to said Local Union each month. I authorize my said employer to deduct such sum from my wages by weekly payroll deductions as dues for the following month and to remit the same to the Union. This assignment and authorization may be revoked by me pursuant to the provisions of the Contract between the Company and the Union.

Social Security No.: _____

Signature

Witnessed: _____ Date: _____

Address: _____

ARTICLE IV CONTINUITY OF OPERATION

Section 1. There will be no strikes, lockouts, work stoppages, picket lines, slowdowns, secondary boycotts, or disturbances, even of a momentary nature. The Union agrees to support the Company fully in maintaining operations in every way. Participation by any employee, or employees, in an act violating this provision in any way will be complete and immediate cause for discharge by the Company.

Section 2. It is recognized that all members of the Union and the Company are required to comply with all protective security measures now in effect. If it is found that this contract or any part of this contract in any way violates security measures which are now in effect, or which may be put into effect later, and the Company and the Union are notified by the proper authority as to the section or sections of the contract in question, negotiations will begin immediately for the purpose of making required changes.

ARTICLE V RESPONSIBILITIES

“Subject to the Union rights as set forth in the USEC Contract, and as set forth in this Addendum, Bechtel Jacobs and its subcontractors shall continue to exercise its exclusive responsibility for the management of the Paducah plant site, including the non-discriminatory selection and direction of the working forces, the right to adopt and enforce reasonable work rules and regulations (provided it does not violate any article of the collective bargaining agreement), and the right to promote, demote, transfer, hire, rehire, discipline, discharge, and to determine the job content and qualifications of employees, and the Union agrees these rights are vested exclusively with the Company. Claims of discriminatory promotion, demotion, discipline, or discharge shall be subject to and decided through the Grievance Procedure and Arbitration Clause in this Agreement, except that the Grievance Procedure and Arbitration Clause shall not preclude, nor pre-empt, an employee’s right or freedom to pursue a complaint, grievance, suit or other relief and/or remedy that may be available under any state or federal law or regulation.”

ARTICLE VI HOURS OF WORK

Section 1. Definitions:

- (a) The payroll week consists of seven (7) days extending from midnight Sunday to midnight Sunday the following week.
- (b) The normal workweek consists of forty (40) hours within a payroll week.
- (c) The normal workday consists of eight (8) hours of work.
- (d) The normal hours for rotating shift workers are 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m.
- (e) The normal hours for straight day workers are from 7:00 a.m. to 3:30 p.m., Monday through Friday with a thirty (30) minute non-paid lunch period. No time will be deducted for lunch periods when an employee's scheduled non-paid lunch period is delayed under the following circumstances:
 - (1) The delay is ordered by the employee's first-line manager.
 - (2) The delay causes the employee's lunch period to start five (5) hours or more after his starting time.
 - (3) The minimum amount of time necessary will be taken to eat lunch and in no case to exceed thirty (30) minutes.
 - (4) Shift workers will be permitted to have a lunch period beginning no later than five (5) hours after the beginning of a shift.
- (f) The term working schedule means the arrangement of shift hours to be worked and regular shift changes for employees working on shifts and the regular scheduled arrangement of hours to be worked by straight day workers.
- (g) (1) Rules for 4 10-hour shifts can be found on page 52.

(2) Rules for 12-hour rotating shift can be found on page 49.

Section 2.

- (a) The provisions of this contract shall not be considered as a guarantee by the Company of a minimum number of hours per day or per week, or pay in lieu thereof, nor a limitation on the maximum hours per day or per week, which may be required to meet operating conditions.
- (b) The Company may adjust the working schedule of employees in any group to meet operating requirements and employees may be assigned regularly or temporarily to a schedule other than the normal hours. Plant seniority shift preference within a group will be granted annually to employees upon request. Such annual request must be made no later than January 1, with any change resulting therefrom to be made not later than the week beginning after March 1.

Such preference may be exercised between seven (7) day rotating shifts and five (5) day rotating shifts and other specific shifts except that such preference cannot be exercised between individual letter shifts within a given rotating shift.

Seniority shift preference within a shift preference group will be granted in filling vacancies lasting more than five (5) working days. Seniority shift preference will not apply to vacation relief or to vacancies caused by exercise of seniority shift preference. An employee must be qualified to perform the work involved when a vacancy occurs other than the annual exercise of seniority shift preference.

- (c) Employees who work overtime shall not be required to take time off to offset the overtime work.
- (d) If a change is made in an employee's work schedule from one established shift to another established shift for the payroll week in which he is notified or less than twenty-four (24) hours prior to the beginning of the payroll week, such employee will be paid for the first eight (8) hours worked on the new schedule at one and one-half (1-1/2) times the employee's straight-time hourly rate, except when such change is made at the request of or for the convenience of the employee. A change in scheduled days off will be considered a shift change.

Section 3. One and one-half (1-1/2) times the straight-time hourly rate shall be paid for all hours worked in excess of eight (8) in any twenty-four (24) hour period or for all hours worked in excess of forty (40) within the applicable payroll week as defined in Section 1 of this Article, whichever of these alternatives provides at the end of the payroll week the greater total pay. An employee who is required to work in excess of sixteen (16) continuous hours, excluding the non-paid lunch hour of a day worker, shall be paid two (2) times the straight-time hourly rate for all such continuous hours worked in excess of sixteen (16).

NOTE: Exceptions to the above are referenced in specific rules for 4 10-hour shift and 12-hour rotating shift located on pages 49 and 52.

Section 4. An employee who has left the plant and is called in by the Company to perform work outside of his regular scheduled shift will receive not less than four (4) hours pay at straight-time, or pay at one and one-half (1-1/2) times his regular rate as overtime pay for such work performed, whichever is greater.

Section 5.

- (a) An employee who reports for work on his regular shift without previously having been notified not to report, will be given at least four (4) hours work, or if no work is available, four (4) hours pay, except that if work is unavailable as the result of causes beyond the control of the Company, it shall not be so obligated.
- (b) Failure on the part of an employee to keep the Company informed of his current telephone number will relieve the Company of its responsibility under this section of the contract.

Section 6.

- (a) Overtime will be distributed in such a manner that each employee within an overtime group will receive his fair share. An overtime spread of sixteen (16) hours between the low employee in the overtime group and the high employee will be considered a reasonable and fair distribution of overtime among employees in the group. Overtime work offered and refused will be counted as overtime worked. A record of overtime will be kept up to date and posted in an accessible location to enable employees to review. The overtime rules shall continue to be used as a means to implement the fair distribution of overtime within an overtime group. An employee can be on only one overtime list at a time.

In scheduled overtime situations where an employee is improperly bypassed for overtime in violation of the Contract, the bypassed employee will be compensated by awarding him the next overtime assignment for which qualified.

Alternate lists will be provided and time permitting, will be polled prior to a compulsory assignment. The Company agrees to meet with the Union to discuss and seek resolution of difficulties, which may exist in the administration of overtime distribution. These meetings between Company management and the appropriate Union officials will be held on a semiannual basis.

- (b) Sleeping accommodations will be provided for these employees held over on compulsory overtime assignments and who are without transportation.
- (c) Employees held over past their scheduled quitting time will be provided with a minimum of four (4) hours of work except in those instances where tardy relief is the cause of the holdover. When necessary, an employee on tardy relief will be furnished transportation home within a reasonable time.

Section 7.

- (a) An employee who is required to work overtime and who works ten (10) or more continuous and successive hours (excluding the noon lunch period of a day worker) will be paid a meal allowance of four dollars and seventy-five cents (\$4.75) which will be included in his regular pay check. An additional meal allowance will be allowed for each four (4) hours of consecutive work performed thereafter. If an employee is paid a meal allowance and arrangements are not made for him to have time to eat within the hour thereafter, he will be credited with thirty (30) minutes additional work time.

Note: Exceptions to the above are contained in specific rules of the 4 10-hour shift and the 12-hour rotating shift on pages 49 and 52.

- (b) No time will be deducted for lunch periods during such overtime work, it being understood that they will be made as short as possible and in no case exceed thirty (30) minutes.

Section 8.

- (a) The following are recognized holidays: New Year's day, Martin Luther King, Jr.'s Birthday, Good Friday, the last Monday in May, Independence Day, Companion to Independence Day, Labor Day, Thanksgiving Day, the day following Thanksgiving Day, Christmas Eve, and Christmas Day. Martin Luther King, Jr.'s Birthday is observed on the third Monday in January. If any of the above holidays fall on Sunday, Monday shall be recognized as the holiday. If any of the above holidays fall on Saturday, the preceding Friday shall be recognized as the holiday except that any employee normally scheduled to work on one of the above recognized calendar holidays that fall on Saturday or Sunday, such recognized calendar holiday will be his recognized holiday. If any of the above holidays fall on an employee's scheduled off day, his first succeeding scheduled work day shall be recognized as the holiday except that where Thanksgiving Day or Christmas Eve falls on an employee's scheduled off day, it will be recognized on the first preceding scheduled work day.
- (b) A rate of two and one-half (2-1/2) times the straight-time hourly rate shall be paid for all hours worked on the eleven (11) recognized holidays.
- (c) Employees will be paid for recognized holidays not worked an amount equivalent to eight (8) times the employees' straight-time hourly rate, subject to the following conditions:
 - (1) Such pay shall be made to the employee only if the recognized holiday would normally have been worked by the employee if it had not been a holiday.
 - (2) An employee who is instructed to work on a holiday but who fails to report and does not have an acceptable excuse, will receive no pay for the holiday.
 - (3) To be eligible for holiday pay an employee must report for work on his last regularly scheduled working day immediately preceding the holiday and the first regularly scheduled workday immediately following his holiday, unless excused by the Company.
- (d) If a designated holiday occurs during an employee's vacation and that employee would otherwise have been scheduled to work on that day had it not been a holiday, such employee shall receive eight (8) hours pay at his straight-time hourly rate in addition to his vacation pay. At the request of the employee, the first-line manager may, at his discretion, grant the employee an extra day off without pay immediately preceding or following his vacation. Such days of absence will not be used for corrective absentee control measures.

Section 9. Double time will be paid for all hours worked on the seventh (7th) consecutive day worked in any payroll week.

Note: Special rules for the seventh (7th) consecutive day paid are contained in the rules for the 4 10-hour shift and the 12-hour rotating shift on page 49 and 52.

Section 10. Overtime premium shall not be duplicated for the same hours under any of the terms of this contract, and to the extent that hours are compensated for at overtime premium rate under one provision they shall not be counted as hours worked in determining overtime compensation under the same or any other provision.

Section 11. Employees may not trade shifts or days off except with the prior approval of their respective first-line manager and further provided that no overtime premium is involved.

Section 12. An employee who is called for jury duty may be excused from work upon presentation of court notice to his immediate first-line manager. The employee who has been so excused will be paid his normal straight-time earnings and the fees received from the court, provided he submits evidence of the amount received from the court. Only the number of his scheduled work days actually spent in court are counted in calculating payment. Employees who would be working the hours between 7:00 a.m. and 3:30 p.m. were they not on jury duty who are not called at the opening of court for actual jury duty and who are excused for the remainder of the day shall report to work within a reasonable time after being excused. An employee will not be required to change shifts because of jury duty.

Section 13. Employees who are unable to vote because of a conflict between voting hours and scheduled working hours in a national, state, county, or municipal election will be allowed sufficient time off to vote provided that they are eligible to vote. Such eligible voting employees will be paid for such absence for a period not to exceed two (2) hours.

Section 14. In determining if an employee is to be paid in accordance with Section 3 and Section 9 of this Article VI, each of the holidays in Section 8, which would ordinarily have been worked, and hours compensated for at time and one-half (1-1/2) under Article VI, Section 2 (d), and those days for which an employee is paid by the Company for jury duty in accordance with Section 12 will count as a day worked. Also, fragmented vacation, funeral leave, and holiday option days taken by an employee will count as a day worked in determining if an employee is to be compensated at time and one-half for all hours worked in excess of forty (40) hours within the applicable payroll week.

Section 15.

- (a) An employee excused for such time as may reasonably be needed for the purpose of attending the funeral of a member of his immediate family will be paid his basic straight-time hourly rate for any or all of three (3) regularly scheduled workdays during the period beginning with the day of death and ending with the day after such funeral. Under the conditions established by the Contract, up to four (4) days will be granted to attend a funeral more than five hundred (500) miles from Paducah, Kentucky. As a special provision, in the event of the death of an employee's spouse or child, the employee will be paid his/her basic straight-time hourly rate for any or all four (4) regularly scheduled work days during the period beginning with the day of death and ending with the second day after such funeral.

For the purpose of this section, the term "a member of his immediate family" shall be defined as, and limited to, the following: spouse, children, parents, grandparents, grandchildren, step-parents, brother, sister, stepbrother, stepsister, parents-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, step-children and grandparents and step-grandparents of the spouse of the employee.

- (b) If a death occurs in an employee's immediate family while he is on vacation, he should promptly notify his manager. The employee will be permitted to cancel only those whole days of vacation remaining after notification to his manager, providing he qualifies for funeral pay for those days under this section.

ARTICLE VII WAGES

Section 1.

- (a) Effective 4:00 p.m. July 16, 2001, all rates in all rate groups will be increased four (4) percent. (Appendix A, Table 1A)
- (b) Effective 4:00 p.m. July 15, 2002, all rates in all rate groups will be increased four (4) percent. (Appendix A, Table 1B)
- (c) Effective 4:00 p.m. July 14, 2003, all rates in all rate groups will be increased three and eight-tenths (3.8) percent. (Appendix A, Table 1C)
- (d) Effective 4:00 p.m. July 19, 2004, all rates in all rate groups will be increased three and five-tenths (3.5) percent. (Appendix A, Table 1D)
- (e) Any premium pay referred to in this contract is to be excluded from the calculations of pay unless specifically included.

Section 2. An employee shall receive a shift premium of forty (40) cents per hour for work performed on the evening shift (3:30 p.m. to 11:30 p.m.), and a shift premium of seventy (70) cents per hour for work performed on the midnight shift (11:30 p.m. to 7:30 a.m.) except that no shift premium shall be paid to day shift employees for work performed between 7:00 a.m. and 3:30 p.m.

Section 3. There will be no discrimination because of sex in the application of wage schedule.

Section 4. When an employee is transferred permanently to a job paying a higher rate, he shall immediately receive the higher rate in accordance with Paragraph (d), General Provisions, Appendix A.

Section 5.

- (a) An employee who at the request of the Company is temporarily required to do the work in a classification other than his own shall suffer no reduction in his rate of pay.
- (b) When an employee is assigned temporarily to a job in a higher classification, the temporary reclassification and rate will be made effective for all hours worked on the first day that an employee performs work in the higher classification for two (2) or more hours. When assigned to the new classification, the employee will be paid the top rate of the new classification.

Section 6. An employee who works Saturday and/or Sunday as part of his normal workweek, will receive an additional forty (40) cents per hour for such hours worked on Saturday and an additional sixty (60) cents per hour for such hours worked on Sunday. In no case shall such payment be applied to hours paid for at overtime, holiday or premium rates.

Section 7. Cost of Living Allowance (COLA)

All employees within the bargaining unit as defined in Article II of this Agreement shall be covered by a COLA as defined and set forth in this Section.

- (a) The amount of the COLA shall be determined and redetermined as provided below in accordance with changes in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84 CPI-W = 100) published by the Bureau of Labor Statistics of the United States Department of Labor, and referred to herein as "Index." The COLA shall be based on a one (1) cent per hour adjustment for each full 0.1 point change in the Index as provided herein.
- (b)
 - (1) After July 16, 2001, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment which may be due under this Section shall be the Index for June of 2001 (published in July of 2001). Adjustments shall be made November 4, 2001; February 3, 2002; May 5, 2002; and August 4, 2002, if appropriate.
 - (2) After July 15, 2002, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base shall be the Index for June of 2002 (published in July of 2002). Adjustments shall be made November 3, 2002; February 2, 2003; May 4, 2003; and August 3, 2003, if appropriate.
 - (3) After July 14, 2003, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment which may be due under this Section shall be the Index for June of 2003 (published in July of 2003). Adjustments shall be made November 2, 2003; February 1, 2004; and May 3, 2004, if appropriate.
 - (4) After July 19, 2004, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment, which may be due under this Section, shall be the Index for June of 2004 (published in July of 2004). Adjustments shall be made November 1, 2004; February 7, 2005; and May 1, 2005, if appropriate.
- (c) In computing overtime pay, vacation pay, holiday pay, call-in pay, disability pay, jury duty pay, funeral leave pay, and military makeup pay as provided in this Agreement, the amount of any COLA then in effect shall be included.
- (d) In the event that the Bureau of Labor Statistics does not issue the Index on or before the beginning of the pay period referred to in Paragraph (b) above, any adjustment required will be made at the beginning of the first pay period after receipt of the Index.
- (e) No adjustment, retroactive or otherwise, shall be made in the amount of the COLA due to any revision which may later be made in the published figures for the Index for any month on the basis of which the Cost of Living has been determined.
- (f) The continuance of the COLA as herein provided is dependent upon the continued availability of the official monthly Index in its present form and calculated on the same basis as the currently published Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84 CPI-W = 100) unless otherwise agreed upon by the Company and the Union.
- (g) COLA being paid shall be considered as wages for the purpose of pension, group insurance and savings plan.

Section 8.

Employees required to perform a shift turnover will be paid two times the straight time hourly rate for each twelve minute shift turnover completed.

ARTICLE VIII LAYOFF ALLOWANCE

Section 1. Layoff allowance for an employee terminated from the payroll on account of reduction in force or because of occupational or nonoccupational disability shall be in accordance with the following schedule:

<u>Service Credit</u>	<u>Allowance</u>
Under 12 weeks	No allowance
12 weeks - 1 year	Same proportion of 1 week's pay as completed months of service are of 12 months
1 year - 3 years	1 week (or 40 hours)
3 years - 5 years	2 weeks (or 80 hours)
5 years - 7 years	3 weeks (or 120 hours)
7 years - 10 years	4 weeks (or 160 hours)
10 years	6 weeks (or 240 hours)
11 years or more	Same as for 10 years plus 1 week (or 40 hours) for each added year of service

Section 2. An employee who is rehired and subsequently laid off from the payroll will receive layoff allowance based on his most recent rehire date.

Section 3. A layoff allowance applicable to retirement terminations will be paid in accordance with the Table in Section 1 of this Article for Company Service Credit as of January 1, 1967. Retirement layoff allowance will not be applicable to any new employee nor for Company Service Credit of present employees accrued after January 1, 1967.

Section 4. If the contract between the government and the Company, is terminated and not renewed during the term of this contract and an employee becomes the employee of a successor contractor within ten (10) days of the date of change in contractors, layoff allowance will not be payable to such transferred employee by the Company. It is understood that any employee who may be so transferred and laid off by the successor contractor during the term of this contract shall suffer no loss of benefits accrued under this Article. If an employee is not transferred to the successor contractor within the above-mentioned ten (10) days and is laid off, he will receive benefits from the Company as set forth in this Article.

ARTICLE IX DISABILITY PAY

Section 1. Short Term Disability Plan

Effective July 16, 2001, an employee disabled and unable to work due to illness, pregnancy, or occupational or nonoccupational injury, will be paid 100% of his basic straight-time hourly rate in accordance with the terms and conditions of the Short Term Disability Plan insert dated December 28, 2000, which is contained in the "Bechtel Jacobs Company LLC Employee Benefits Handbook". Such Employee's Benefits Handbook is to be considered a part of this collective bargaining agreement and provides for payment in accordance with the following schedule:

<u>Company Service Credit</u>	<u>Maximum Number of Months of Payment Per Absence</u>
at least 1 month but less than 2 months	1
at least 2 months but less than 3 months	2
at least 3 months but less than 4 months	3
at least 4 months but less than 5 months	4
at least 5 months but less than 6 months	5
at least 6 or more months	6

Section 2. Long Term Disability Plan

Effective July 16, 2001, an employee totally disabled for six months will become eligible to receive sixty percent (60%) of his monthly basic straight time rate up to a specified maximum monthly benefit paid in accordance with the terms and conditions of the Long Term Disability Plan insert dated October 1, 1998, which is contained in the "Bechtel Jacobs Company LLC Employee Benefits Handbook". Such Employee's Benefits Handbook is to be considered a part of this collective bargaining agreement as referred to in Section 1 above and will be paid, if he is totally and permanently disabled as defined in the above-referenced handbook, until he reaches age 65. Under specified circumstances, such benefits will continue beyond age 65. Such benefits will be reduced by any income benefits the employee is eligible to receive from other sources such as Social Security, Worker's Compensation, other statutory benefits, and other Company benefit plans.

If a dispute arises as a result of an employee's claim that he or she is totally and permanently disabled as defined in the above-referenced handbook or that such employee continues to be totally and permanently disabled the dispute shall be resolved in the following manner upon the filing with the Company of a written request for review by such employee not more than 60 days after receipt of denial:

The employee shall be examined by a physician appointed for the purpose by the Company and by a physician appointed for the purpose by the Union. If they disagree concerning whether the employee is totally and permanently disabled, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician, after examination by him or her of the employee and consultation with the other two physicians, shall be final and binding on the Company, the Union, and the

employee. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

Section 3. Conditions of Payment

- (a) Payments under the Short Term and Long Term Disability Plans referred to in Sections 1 and 2 of this Article will not be made for:
 - (1) Any disability occurring during the first 12 months that the employee's plan coverage is in effect if caused by any condition for which he received treatment during the three month period before his coverage became effective, or
 - (2) Any period of incapacity beyond the third consecutive calendar day during which the employee is not under treatment by a licensed practicing physician, or
 - (3) Any disability caused directly or indirectly by war declared or undeclared, or
 - (4) Any intentionally self-inflicted injury, or
 - (5) Any disability resulting from commission of a felony, or
 - (6) Any disability due to willful misconduct, violation of plant rules, or refusal to use safety appliances.
- (b) Payments under these plans will be made only to employees whose absence is due to nonoccupational or occupational disability and will not be paid to employees who are absent for other reasons.
- (c) Payments will only be made when the Company is provided, if it so requests, with a doctor's certificate, subject to confirmation by a doctor selected by the Company, as proof that the employee's absence was due to legitimate nonoccupational or occupational illness or injury. Under normal circumstances, a doctor's certification will not be requested by the Company during the first three consecutive calendar days of the absence. However, certification may be requested by the Company for any or all of the first three days if the Company has reason to question the absence.
- (d) Payments will only be made when employees properly report their absence and the cause of their absence to the proper Company representative in a prompt manner.
- (e) Payments are applicable only for the normal workweek and normal work day. In case working hours of the plant are changed, it is understood that payment under the above schedule will be changed in direct proportion to the change in working hours.
- (f) It is recognized by the Union that the Company has a continuing interest in reducing absenteeism, no matter what the cause.

Section 4. Administration of Plans

(a) Short Term Disability Plan

The administration of the Short Term Disability Plan and the payment of benefits under this plan shall be handled by the Company.

(b) Long Term Disability Plan

The administration of the Long Term Disability Plan and the payment of benefits under this Plan shall be handled directly by the Insurance Company, it being understood that a claimant whose benefits claim is denied may contest such denial with the Insurance Company but that he or she shall have no redress whatsoever against the Company. It is agreed, however, that in any case in which an employee claiming benefits under this Plan and desiring to file such claim with the Insurance Company becomes engaged in a nonmedical factual dispute with the Company in connection with such claim (such as a disagreement over his or her earnings group, eligibility, employment status, amount of Company Service Credit or other nonmedical factual question) such employee and the Union may process a grievance in accordance with the terms of this Contract. It is agreed, however, that any and all medical questions in dispute shall be determined solely by the Insurance Company, except as provided under the second paragraph of Section 2 of this Article. It is understood that the Company shall retain the right to select and arrange with an Insurance Company to provide certain benefits available under these Plans; and to replace the Insurance Company from time to time as it may deem appropriate.

Section 5. Company Service Credit During Approved Nonoccupational or Occupational Absences

An employee who is disabled and unable to work will receive Company Service Credit for the period of his Short Term Disability approved by the Company and/or the period of his Long Term Disability approved by the Insurance Company.

**ARTICLE X
LEAVE OF ABSENCE**

Section 1. Leave of absence, without pay, up to fifteen (15) consecutive calendar days shall be granted upon presentation by an employee of evidence acceptable to the Company that such leave of absence is for a reasonable purpose, and provided further that such leave will not interfere with operations.

Section 2.

- (a) Upon written request to the Company made by the Union a reasonable period in advance, an employee certified by the Union to be a full-time Union official may be granted a leave of absence without pay to engage in work pertaining to the business of the Union. The number of employee's granted such leaves of absence may not exceed six (6) per thousand (1000) employees at any time.
- (b) An employee certified by the Union to be a full-time Union official shall be granted not more than one (1) thirty (30) day leave of absence in any calendar year renewable only in increments of two (2) years if an official elects to accept a full-time assignment with the Union. Such leaves shall be granted only at such times as will not interfere with operations. The Company will give advance notice of the expiration of the long-term [two (2) years] leave.
- (c) An employee granted such leave of absence must return all security identification issued to him.

Section 3.

- (a) An employee who returns to work after a leave of absence as described in Sections 1 and 2 of this Article will be reinstated in the job classification group which he left and for which he is physically qualified provided he has more seniority than the least senior employee in said job classification.

- (b) Unless excused, an employee who does not return to work within five (5) days following the expiration of his leave of absence will be considered as having resigned voluntarily and will forfeit all of his seniority rights.

Section 4. The Group Insurance of an employee will be continued in force during such authorized leave of absence in case and in such manner as the provisions of the Company Group Insurance contract permit, provided that he pays his share of the Group Insurance premium at least monthly in advance.

Section 5. The Hospitalization and Surgical Plan Insurance of an employee will be continued in force during such authorized leave of absence in case and in such manner as the provisions of the Company Insurance Contract permit provided that he pays the full premium at least monthly in advance.

Section 6. The Company will comply with the Family and Medical Leave Act (FMLA) of 1993.

ARTICLE XI VACATIONS

Vacation eligibility is as follows:

- (a) An employee must complete one (1) year of Company Service Credit to obtain initial eligibility for two (2) weeks vacation. However, one (1) week of this initial vacation eligibility may be taken after completing six (6) months of Company Service Credit.
- (b) During calendar years in which an employee completes from two (2) through four (4) years of Company Service Credit, he shall receive two (2) weeks of vacation.
- (c) During calendar years in which an employee completes from five (5) through nine (9) years of Company Service Credit, he shall receive three (3) weeks of vacation.
- (d) During calendar years in which an employee completes from ten (10) through nineteen (19) years of Company Service Credit, he shall receive four (4) weeks of vacation.
- (e) During calendar years in which an employee completes from twenty (20) through twenty-nine (29) years of Company Service Credit, he shall receive five (5) weeks of vacation.
- (f) During calendar years in which an employee completes thirty (30) or more years of Company Service Credit, he shall receive six (6) weeks of vacation.
- (g) The Vacation Plan shall be administered in accordance with the vacation regulations contained in Appendix D, attached hereto and made a part hereof.

ARTICLE XII SENIORITY

Section 1. Definitions:

- (a) A vacancy is said to exist in a job classification when there is a need for a permanent replacement or addition.

- (b) An employee is said to be laid off when he leaves a job classification because of an involuntary reduction in force, and is unable to bump into a job with Bechtel Jacobs Company LLC or one of its subcontractors or if the employee chooses not to displace another employee. The employee for purposes of this agreement will not be considered laid off unless he/she is not employed by Bechtel Jacobs Company LLC or one of its subcontractors due to an involuntary reduction in force.
- (c) The recall listing is defined as that list on which an employee will be placed at the time he is laid off from a job classification, and is without work with Bechtel Jacobs Company LLC or one of its subcontractors.
- (d) If an employee is without work with Bechtel Jacobs Company LLC or one of its subcontractors due to an involuntary reduction in force, then the employee is placed on the recall list and is subject to recall to a position in the same job classification he/she was laid off from.

Section 2.

- (a) Plant seniority is based on the total length of recognized bargaining unit service of an employee. The seniority of each employee is his relative position with respect to other employees.
- (b) Group seniority is administered within the job classification groups outlined in Appendix C.
- (c) A new employee shall be considered a probationary employee for the first sixty (60) days worked and at the end of that period, if he is retained, his name will be placed on the Seniority List and his seniority shall date from the date of hire. A probationary employee shall be subject to layoff, discipline, or discharge at the sole discretion of the Company.

Note: Additional information concerning probationary periods can be found under General Provisions, section "g" of this contract.

- (d) An employee will lose his seniority when he is discharged, when he resigns, or when he is on the recall listing and declines or fails to report within five (5) days or makes satisfactory arrangements when offered employment in job classification from which he was laid off.
- (e) If recalled, a former employee who is on the recall listing shall continue to accumulate seniority up to four (4) consecutive years from his lay-off date. (If a former employee is not recalled within four (4) consecutive years from the date of layoff his seniority will be recognized as the amount he/she had on the date of their last lay-off. An employee who is not recalled within four (4) consecutive years from the date of layoff will lose his recall rights.
- (f) Employees will retain and accumulate seniority during periods of excused absence or leave of absence.
- (g) (1) When an employee enters a job classification group by transfer from another group, he will acquire group seniority in the group which he has entered.
- (2) If more than one (1) employee is transferred into a new job classification on the same day they will be placed on the seniority list in the new job classification according to their bargaining unit seniority.

Section 3.

- (a) When a reduction in force is to be made in any job classification within a job classification group, the employee having the least amount of group seniority in the job classification shall be the first to be laid off. Any employee thus scheduled to be laid off may exercise his bumping rights under the terms of the addendum.
- (b) When a reduction in force is to be made in any job classification, the following employee in that job classification group may be retained irrespective of seniority.

A physically handicapped employee who by reason of occupational injury while employed by the Company merits special consideration.

Section 4.

- (a) Vacancies will be filled according to terms outlined in the filling vacancies section of the BJC PACE addendum.
- (b) Job bid: The job bidding provision will give consideration to senior qualified employees in lower rated job classifications who make application for such vacancies within ten (10) calendar days following posting of job bids.

Job bids will be posted on the bulletin boards specifying job titles, general qualifications, rates of pay, and hours of work. Qualified employees in lower rated jobs within the bargaining unit may make application for such job bids within ten (10) calendar days following such posting. An employee interested in bidding may request an appropriate job bid form from his manager who will assist him in submitting his bid to the Human Resources Office for evaluation. The Union will receive a list of all job bids, which are accepted or rejected. When an employee is selected and accepts a job bid and the employee is not released within thirty (30) calendar days from the date of his acceptance, the bidder will then be reclassified, paid the new rate, and given a new group seniority date. However, in no case shall a new hire be placed on the seniority list ahead of a successful bidder or a non-union employee who has expressed interest in that particular job bid and has been selected for the job.

- (c) An employee selected to fill a new job or vacancy will be given reasonable time, not more than twelve (12) weeks, with proper instructions, to learn the job before final decision is made of his ability to handle the job.
- (d) If it develops before the end of the twelve (12) week period that he is not capable of handling the new job, he shall be entitled to return to his former job with his former status.

Section 5. Employees who transfer out of the bargaining unit after the effective date of this contract cease to have any bargaining unit seniority thirty (30) calendar days after such transfer. If such employee so wishes, he may return to the bargaining unit within this thirty (30) day period without loss of seniority.

Section 6.

- (a) Transfers will not be made for the specific purpose of discriminating against an employee.
- (b) Work normally associated with one classification at this site will not be transferred permanently to another classification. When he requests, a Union representative will be informed as to whether transfer of work is temporary or permanent. In no case will the transfer of work deny the use of the recall list for a period longer than thirty (30) calendar days. All work normally associated with a classification will be returned to the rightful classification before layoff occurs in that classification. The time a job has been performed on an out-of-classification basis will not be used exclusively in making a determination into which classification the work belongs in case of a layoff.

**ARTICLE XIII
GRIEVANCE PROCEDURE**

Section 1.

- (a) The Company will recognize the following number of properly certified Union representatives at the Paducah site for the purpose of representing employees in the manner as specified in this Grievance Procedure:

One (1) Committee person, from each employer who, with the local President as Chairperson, shall constitute the Grievance Committee.

See Addendum, Section 7 concerning stewards.

- (b) Employees thus duly certified and recognized as Union representatives shall report to and obtain permission from their first-line manager whenever it becomes necessary to leave their work for the purpose of handling grievances in their respective areas, and shall inform their first-line manager of their intended destination and itinerary and shall report back to their first-line manager at the time they return to work. Upon request, certified Union representatives may be granted use of the telephone at reasonable times to handle grievances within their respective areas. Certified Union representatives may be excused for reasonable periods from their work without loss of pay when handling grievances or disputes in the appropriate steps of this Grievance Procedure. The Local Union President, or his designated representative, may be excused for reasonable periods from work without loss of pay when handling grievances in the Third Step of this Grievance Procedure. Permission to leave work as referred to above will be granted provided such absences do not conflict with efficient operation.

Section 2.

First Step: An employee may allege a grievance under the terms of this contract and present such grievance to his first-line manager with or without his Union Steward. In such case every effort will be made to provide a Steward as soon as reasonably possible unless near the end of the shift time will not permit. Unless settlement is reached within four (4) days (the Steward will receive the answer), such grievance may be presented by the Stewards in writing to the first-line manager on an appropriate form within the next seven (7) days. The first-line manager shall give his decision in writing to the Steward within two (2) days of presentation.

Second Step: A grievance not settled satisfactorily in the First Step may be appealed by the Division Committee person with a copy of the written grievance and a written statement of the reasons for the appeal to the Employee Relations Department.

On Wednesday at 2:00 p.m. the Labor Relations Manager or his designated representative will hear any accumulated grievances appealed in writing to this Step at least twenty-four (24) hours prior to the meeting. The Labor Relations Manager will consider such grievances and give written answer within four (4) days. This meeting may be attended by other Company representatives, including the immediate first-line manager of the employee, the Steward, and the Committeeperson from the respective area wherein the grievance originated.

Grievances arising out of discharge or disciplinary suspension may be initiated at this Second Step and heard at any reasonable time after an employee has protested the action to his immediate first-line manager and has failed to secure a satisfactory settlement. When an employee is called into a discussion which may result in disciplinary documentation including reprimand, suspension or being sent home, he will be provided Union representation if he so requests. A copy of the First-line Manager's Report prepared will be furnished to the Union.

Third Step: Grievances not settled satisfactorily in the Second Step may be appealed by the Chairperson of the Grievance Committee or his designated employee representative to the Manager of Projects or his designated representative through the Labor Relations Department with a brief written statement of the reasons for the appeal.

On Monday at 2:00 p.m., the Manager of Projects, or his designated representative, will meet with the Grievance Committee if there are any accumulated grievances appealed in writing to this Step at least twenty-four (24) hours prior to the meeting. Grievances will be answered in writing within ten (10) days.

The appropriate Committeeperson, other Company representatives, International Representatives of the Union, and the Local Union President, or his designated representative may also attend the meeting, provided they have security clearance from the Governmental Agency having jurisdiction if that Agency feels that such clearance is necessary.

Section 3. The answer of the Company in the Third Step shall be final and binding on the last day it is due unless the grievance is withdrawn prior to that date or is appealed to arbitration.

Section 4. Any grievances not taken up with the employee's immediate first-line manager within fifteen (15) days, exclusive of days of excused absence, after knowledge of the occurrence from which the grievance arose cannot thereafter be processed through the Grievance Procedure. A grievance will be considered withdrawn if the decision of the Company is not appealed to the next higher step in the above procedure within five (5) days after a decision has been rendered by the Company except that appeal to the Third Step may be made within ten (10) days. If the Company fails to answer a grievance within the specified time

limits of this procedure, the Union's appeal will automatically progress to the next step of the Grievance Procedure.

Section 5. Every reasonable effort shall be made to settle grievances promptly. In the calculation of time limits under the Grievance and Arbitration Procedure, Saturdays, Sundays, and Holidays are excluded.

Section 6. The Union shall notify the Company in writing promptly of the appointment or election of all Stewards, Committeepersons and officers. Whenever a regular certified Union representative is absent from his job for any length of time, the Union may, if it feels it is necessary, appoint an assistant Steward or Committeeperson in place of the regular Steward or Committeeperson and shall notify the Company in writing in advance.

This appointee shall act in this capacity when the regular Steward or Committeeperson is not working and until the Company is notified by the Union that the appointment is canceled.

Section 7. All settlements of disputes or grievances will not vary the terms of the Contract.

Any oral settlements will be non-precedent setting.

ARTICLE XIV ARBITRATION

Section 1. If a grievance is not satisfactorily settled by the procedure outlined in Article XIII, the grievance may be submitted to arbitration if it involves the interpretation or application of the contract.

Section 2.

- (a) Within fifteen (15) days or on the day after the next monthly Union meeting whichever is later, after the decision rendered by the Company in the Third Step of the Grievance Procedure either party desiring to arbitrate a matter may request the Director of the Federal Mediation and Conciliation Service to submit the names of seven (7) arbitrators. Upon refusal of either party to join in such a request the other party may make the request. The Union and the Company shall alternately strike a name from the list (the first to strike shall be determined by lot) until the name of one individual remains. The decision of the arbitrator shall be rendered on the interpretation and application of the contract solely as it applies to the matter before him and shall not add to, disregard or modify any of the provisions of this contract. Such decision shall be final and binding on both parties.
- (b) Any grievance which has not been assigned to and accepted by an arbitrator within two (2) years after the date of appeal to arbitration will be considered withdrawn by mutual consent on a no precedent basis.

Section 3. The expense and compensation of the arbitrator shall be borne by and divided equally between the Union and the Company. Where the arbitration proceedings involve discussion of classified information, the arbitrator shall be cleared by the Government Agency having jurisdiction if the Agency feels that such clearance is required. Up to two (2) arbitration cases may be arbitrated at one time using the same Arbitrator.

Section 4. In any proceedings under this Article the Company will make every reasonable effort to release from work employees needed as witnesses.

Section 5. Arbitration cases will be requested to be heard within ninety (90) days after an arbitrator has been selected. It is agreed that the parties will jointly request the rendering of a decision within thirty (30) days after briefs have been filed.

ARTICLE XV MISCELLANEOUS

Section 1.

- (a) Non-bargaining unit personnel shall not do bargaining unit work normally performed exclusively by the bargaining unit. This does not prevent such Non-bargaining unit personnel from performing necessary functions such as instruction or assistance to employees, provided the assistance rendered does not displace the person doing the work or from operating equipment or processes in emergencies or for experimental purposes.
- (b) Scientific research personnel may perform manual work to further their research provided that such work does not deprive an employee of his job.

Section 2. One (1) PACE employee from the Company and each of its subcontractors will be designated by the Union as a representative to attend the Zero Accident Council meeting and the STOP Committee meeting in order to represent the Union's interest. Also privileged to attend these meetings will be the Union's environmental safety and health representative and the President of the Local Union or his designated representative.

The Company will see that these individuals are provided adequate information concerning accident investigation reports and recommendations for accident prevention actions, to enable the members to make knowledgeable recommendations for the disposition of proposed safety actions.

The Company will also, on request, make arrangements for the appropriate individuals to visit the scene of any disabling or other serious accident so that they may have a better understanding of its cause. In the same manner, the Company will arrange for appropriate individuals to see firsthand, conditions at the site which are alleged by an employee to be unsafe and/or detrimental to health. If an accident investigation committee is formed to investigate an accident involving a Bargaining Unit employee, the Union will designate as the Union's representative a Bargaining Unit employee who normally works in the area in which the accident occurred.

The Company will discuss the results of the accident investigation of any disabling or other serious accident with the Committee within three (3) days of completion of the investigation. Accidents of less severity will be discussed at the next appropriate meeting.

The Company will pay one (1) delegate selected by the Union to attend the Governor's Health and Safety Conference. A maximum of eight (8) hours straight-time pay will be allowed for each of the three (3) days.

Meetings will be held at least monthly, and if conditions warrant, more often.

Section 3.

- (a) The Company will continue to make provisions for the safety and health of employees while at work.

- (b) The Company will pay employees a \$200.00 safety related equipment (safety shoes) allowance less any required taxes. Employees will be paid the allowance in January of each calendar year. Employees who are required to wear safety shoes are required to maintain a serviceable pair of safety shoes to wear on Paducah site.

Section 4. The Union shall be permitted to use a sufficient number of designated Company bulletin boards for posting notices and announcements of official business. All such notices and announcements shall be submitted to the Company for approval and posting.

Section 5. There shall be no discrimination because of race, color, creed, national origin or sex. Nor will there be discrimination against any employee because he is handicapped, a disabled veteran or a veteran of the Vietnam era as these terms are used in applicable federal statutes, including the Americans with Disabilities Act.

Section 6. The Company agrees to make coveralls available to all members of the bargaining unit who wish to wear them while at work. Thermal underwear will be made available to all members of the Bargaining Unit who may be required to do extensive outside work [two (2) hours or more per day] during the winter months. Insulated coveralls and gloves will be issued upon approval of appropriate first-line manager.

Section 7. Reprimands antedating a period of twelve (12) months on the active payroll, during which time no reprimand has been received, will be removed from the employee's record. Suspensions antedating a period of twenty-four (24) months on the active payroll, during which time no reprimand has been received, will be removed from the employee's record.

Section 8. Employees who are telephoned while at home and requested to provide information about plant operations will be paid an inconvenience allowance equal to the employee's straight time hourly rate for the duration of the telephone call, but in no event less than one tenth of one hour. This payment shall not be counted as hours of work in the computation of overtime or premium pay.

Section 9. A twenty-five (25) cent per hour premium will be paid for all Truck Drivers who have a CDL.

Section 10. An employee will be released from work and paid straight time wages for the hours 7:00 a.m. to 3:30 p.m. each Monday through Friday while performing the duties of Benefit and ES&H Representative.

ARTICLE XVI EDUCATIONAL ASSISTANCE PROGRAM

Company will provide financial assistance up to one hundred (100) percent of the cost of tuition, laboratory fees, and required text books to employees who while still actively employed and outside their regular working hours satisfactorily complete qualified courses of study related to bargaining unit work in recognized schools or colleges. Applications must be filed and approved prior to starting of course. An employee who is receiving Government financial assistance for education is not eligible for a refund under this program.

ARTICLE XVII TERM OF CONTRACT

Section 1. This contract is made and entered into by and between Bechtel Jacobs Company LLC, Paducah site, Paducah, Kentucky, its successors or assigns, and the PACE International Union, and its Local 5-550.

Section 2. This contract shall become effective as of 4:00 p.m., July 16, 2001, and shall continue in effect until 7:00 a.m., July 31, 2005, and shall automatically be renewed thereafter from year to year unless either party notifies the other in writing sixty (60) days prior to the expiration date that it desires to terminate or modify the provisions of this contract.

IN WITNESS WHEREOF, each of the parties has caused this Contract to be executed by its duly authorized representatives on this the 16th day of July, 2001.

PAPER, ALLIED-INDUSTRIAL, CHEMICAL, ENERGY WORKERS INTERNATIONAL UNION,
AFL-CIO

BY: /s/ Judith Wilson
PACE International Representative

PAPER, ALLIED-INDUSTRIAL, CHEMICAL, ENERGY WORKERS
LOCAL 5-550

BY: /s/ D. R. Fuller
/s/ D. J. Steele
/s/ R. W. Ladd
/s/ T. L. Moore
/s/ M. A. Scott

BECHTEL JACOBS COMPANY LLC
PADUCAH SITE

BY: /s/ S. J. Davis
/s/ R. R. Veazey

APPENDIX A
TABLE 1A, WAGE SCHEDULE
EFFECTIVE JULY 16, 2001

Group	Start (3 months from top rate)	3 Mos. (top rate)
01	15.33	16.00
02	15.61	16.31
03	15.96	16.68
04	16.26	17.00
05	17.16	17.90
06	16.83	17.58
07	19.71	20.55
08	17.42	18.16
09	17.73	18.48
10	17.19	17.96
11	19.06	19.81
13	20.48	21.27
14	*	*
23	*	*
24	*	*
26	21.32	22.76
28	21.32	22.76
30	22.17	22.76

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

Should the trainee classification be utilized in the future, the Union and the Company agree to recognize the probationary language covering trainees contained in the General Provisions section of the collective bargaining agreement.

APPENDIX A
TABLE 1B, WAGE SCHEDULE
EFFECTIVE JULY 15, 2002

Group	Start (3 months from top rate)	3 Mos. (top rate)
01	15.94	16.64
02	16.23	16.96
03	16.60	17.35
04	16.91	17.68
05	17.85	18.62
06	17.50	18.28
07	20.50	21.37
08	18.12	18.89
09	18.44	19.22
10	17.88	18.68
11	19.82	20.60
13	21.30	22.12
14	*	*
23	*	*
24	*	*
26	22.17	23.67
28	22.17	23.67
30	23.06	23.67

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

Should the trainee classification be utilized in the future, the Union and the Company agree to recognize the probationary language covering trainees contained in the General Provisions section of the collective bargaining agreement.

APPENDIX A
TABLE 1C, WAGE SCHEDULE
EFFECTIVE JULY 14, 2003

Group	Start (3 months from top rate)	3 Mos. (top rate)
01	16.55	17.27
02	16.85	17.60
03	17.23	18.01
04	17.55	18.35
05	18.53	19.33
06	18.17	18.97
07	21.28	22.18
08	18.81	19.61
09	19.14	19.95
10	18.56	19.39
11	20.57	21.38
13	22.11	22.96
14	*	*
23	*	*
24	*	*
26	23.01	24.57
28	23.01	24.57
30	23.94	24.57

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

Should the trainee classification be utilized in the future, the Union and the Company agree to recognize the probationary language covering trainees contained in the General Provisions section of the collective bargaining agreement.

APPENDIX A
TABLE 1D, WAGE SCHEDULE
EFFECTIVE JULY 19, 2004

Group	Start (3 months from top rate)	3 Mos. (top rate)
01	17.13	17.87
02	17.44	18.22
03	17.83	18.64
04	18.16	18.99
05	19.18	20.01
06	18.81	19.63
07	22.02	22.96
08	19.47	20.30
09	19.81	20.65
10	19.21	20.07
11	21.29	22.13
13	22.88	23.76
14	*	*
23	*	*
24	*	*
26	23.82	25.43
28	23.82	25.43
30	24.78	25.43

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

Should the trainee classification be utilized in the future, the Union and the Company agree to recognize the probationary language covering trainees contained in the General Provisions section of the collective bargaining agreement.

GENERAL PROVISIONS

- (a) Employees who are hired at a wage rate three months from the top rate will be granted the top pay rate only if their workmanship and ability is satisfactory.
- (b) If a scheduled merit progression increase is not granted, the immediate first-line manager of the employee thus affected will notify the employee in writing of the reason for such rejection and if the employee feels such action is unjust he may file a grievance. The first-line manager may originate such increase at any time thereafter when the workmanship and ability of the employee warrant.
- (c) Approved rate changes will become effective on the eligibility date.
- (d) The probationary period referred to in Article XII, Section 2 (c) will be changed to ninety (90) days worked for employees entering the trainee classifications for operator, instrument mechanic, maintenance mechanic, and electrical mechanic.

TABLE II
JOB CLASSIFICATION LISTING

<u>Job Classification</u>	<u>Rate Group</u>
Carpenter 1st Class	26
Carpenter 2nd Class	23*
Chauffeur	03
Converter Assembler	09
Electrical Mechanic 1st Class	28
Electrical Mechanic 2nd Class	24*
Garage Mechanic 1st Class	26
Heavy Equipment Mechanic 1st Class	26
Heavy Equipment Operator	26
Instrument Mechanic 1st Class	28
Instrument Mechanic 2nd Class	24*
Janitor	01
Laborer	01
Locksmith	26
Lubricator	06
Machinist 1st Class	28
Machinist 2nd Class	24*
Maintenance Mechanic 1st Class	26
Maintenance Mechanic 2nd Class	24*
Material Handler	11
Operator	30
Operator B	13
Painter 1st Class	26
Painter 2nd Class	23*
Refrigeration Mechanic	26
Sheet Metal Worker 1st Class	26
Trainee	14*
Truck Driver	10

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications which will be based on the traditional times and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

APPENDIX B

The Seniority Provisions of this contract as set forth in Article XII shall be administered by the following job classification groups.

<u>Group</u>	<u>Job Classification</u>	<u>Rate Group</u>
1	Maintenance Mechanic 1/C	26
	Maintenance Mechanic 2/C	24*
	Trainee	14*
2	Refrigeration Mechanic	26
3	Machinist 1/C	28
	Machinist 2/C	24*
	Trainee	14*
4	Sheet Metal Worker 1/C	26
5	Carpenter 1/C	26
	Carpenter 2/C	23*
	Trainee	14*
	Locksmith	26
6	Painter 1/C	26
	Painter 2/C	23*
	Trainee	14*
7	Heavy Equipment Mechanic 1/C	26
	Garage Mechanic 1/C	26
8	Heavy Equipment Operator	26
9	Converter Assembler	09
10	Truck Driver	10
11	Instrument Mechanic 1/C	28
	Instrument Mechanic 2/C	24*
	Trainee	14*
12	Electrical Mechanic 1/C	28
	Electrical Mechanic 2/C	24*
	Trainee	14*
13	Operator	30
	Trainee	14*
15	Material Handler	11

16	Chauffeur	03
17	Lubricator	06
18	Laborer	01
	Janitor	01
21	Operator B	13

*Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the Union and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 – July 31, 2001.

APPENDIX C

VACATION REGULATIONS

The following regulations govern the application of the vacation provisions as set forth in Article XI of the Contract:

- (a) The vacation provisions are not applicable to part-time, intermittent, or temporary employees.
- (b) The vacation season will be for the full calendar year. The number of employees who are on either whole weeks or fragmented vacation days at the same time may be limited to no less than fifteen (15) percent of the employees on the vacation lists. KEA, Thanksgiving, and Christmas weeks will be considered special weeks during which up to twenty (20) percent of the employees on the vacation lists may schedule vacation.
- (c) Vacations are scheduled by supervision during the established vacation season. Vacation preference will be exercised during the vacation season within a vacation group within a job classification group. Preference as to dates is based upon seniority. Such preference can be exercised only once in a calendar year. Preference for a split vacation may only be exercised for one part at a time with preference for the remaining parts being exercised in the same seniority order. The employee shall make an election during the time he exercises his vacation preference as to any carry-forward or any pay-in-lieu of vacation option for which he is eligible. Such elected option will be irrevocable for the calendar year for which it is made unless the Company and the employee otherwise mutually agree.
- (d) An employee must complete the full minimum Company Service Credit noted in Article XI before he is eligible for a vacation or vacation pay.
- (e) Vacation payments will be calculated on the basis of an employee's straight-time hourly rate, plus any applicable shift differential, in effect at the time he goes on vacation, multiplied by the number of hours in his normal workweek. However, the amount paid to an employee in lieu of vacation or vacation carried forward shall be his straight-time hourly rate in effect at the time he receives such pay, multiplied by the number of hours in his normal workweek.
- (f) If an employee who has completed the minimum eligibility requirements for a vacation retires, resigns, is laid off, is discharged, or dies, he, or his survivors, will be paid for any vacation in the current year which has not been taken.
- (g) Only one (1) vacation will be allowed an employee in any one (1) calendar year.
- (h) The minimum portion of a vacation that may be taken at any one time is one (1) week except for specifically fragmented vacations as hereinafter provided:
 - (1) Employees may fragment the entirety of the vacation they are eligible for yearly in half-day portions if they so desire. If utilization of vacation in half-day increments or whole day increments result in an employee being left with an odd number of hours which total less than a half-day increment, those hours will be granted to said employee under the discretionary terms outlined in this appendix.
 - (2) The first-line manager will have absolute discretion to approve or disapprove such requests, and his decisions will not be subject to challenge in the Grievance Procedure or Arbitration.

Such requests will not be granted if in the opinion of the Company it will be necessary to provide relief at premium or overtime rates beyond the limitations provided for in Paragraph (b) above.

- (i) An employee who has completed the minimum eligibility requirements and is recalled following a layoff for reduction in force will be required to work for six (6) months following his reemployment before he is again eligible for a vacation. Such vacation cannot be taken until the following year if it would otherwise result in a duplication of the current year's vacation.
- (j) Absence of an employee immediately preceding or following his vacation may not be excused for any reason except unavoidable circumstances.
- (k) Vacations for which an employee is eligible will not be affected by a disability absence except that if an employee is absent for an entire calendar year no vacation will be granted in such year.
- (l) An employee who takes a leave of absence will be treated for vacation purposes in the same manner as if he were terminated as of his last day worked. If the leave does not extend into another calendar year, however, the employee may be permitted to postpone any current year vacation due until after his return to work.
- (m) Except as provided for under the carry-forward option in Paragraph (s), an employee may not postpone his vacation to the following year.
- (n) Except as provided for under Pay-in-Lieu of Vacation Option in Paragraph (r), it is the intention to arrange vacation time off whenever possible rather than to grant pay-in-lieu of such time off.
- (o) If the designated holiday occurs during an employee's vacation and that employee would otherwise have been scheduled to work on that day had it not been a holiday, such employee shall receive eight (8) hours of pay at straight time in addition to his vacation.
- (p) An employee who completes his first year of Company Service Credit for a vacation with pay as set forth in the Vacation Plan shall have a vested right to that vacation on the day he completes one year of Company Service Credit.
- (q) An employee's election of either Option (r) or (s) below does not disqualify him from electing the other Option applicable to the remaining weeks of Current Year Vacation to which he is entitled. He cannot, of course, duplicate or pyramid benefits by electing both options for the same week(s).
- (r) Pay-in-Lieu of Vacation (PLV) Option
 - (1) During calendar years in which an employee completes ten (10) through twenty-nine (29) years of Company Service Credit, the employee has the option of electing one (1) full week of pay-in-lieu of vacation.
 - (2) During calendar years in which an employee completes thirty (30) or more years of Company Service Credit, the employee has the option of electing one (1) or two (2) full weeks of pay-in-lieu of vacation.
 - (3) Pay-in-lieu of vacation will be paid concurrently with any full week(s) of Current Year Vacation the employee chooses but shall not be divided into units of less than one (1) week.

- (4) Pay-in-lieu of vacation shall not be used in the calculation of compensation for other benefit plan purposes or any overtime or other premium payments.

(s) Carry-Forward Option

- (1) An employee may carry forward to a succeeding year up to two (2) weeks of his Current Year Vacation. It is understood that any carry-forward vacation must be taken in full week increments.
- (2) The maximum amount of carried-forward vacation which an employee may have to his credit at any time shall be six (6) weeks. Also, the maximum vacation taken in any calendar year shall be twelve (12) weeks.
- (3) Vacation time carried forward is not subject to payment in lieu of vacation except upon the employee's termination.

An employee with one (1) or more years of Company Service Credit who is on the payroll of the Company on December 31 of the year prior to the calendar year in which he is entitled to a vacation with pay as set forth in the Vacation Plan shall have a vested right on that day to such vacation for the following year. An employee is considered to be on the payroll of the Company unless he has previously been terminated or has otherwise ceased active work and is not expected to return to work because of disability or some other reason.

APPENDIX D
COMPANY SERVICE CREDIT RULES

Company Service Credit is based upon employment by Bechtel Jacobs Company LLC and its subcontractors and in some cases previous employment with United States Enrichment Corporation. Company Service Credit will be determined under the following rules:

- (a) In case an employee is laid off by the Company on account of an involuntary reduction in force and through no fault of his own.
 - (1) If such layoff continues not more than four (4) consecutive years, Company Service Credit will be given for service prior to such layoff.
 - (2) If such layoff continues more than four (4) years, no Company Service Credit will be given for service prior to such layoff.
- (b) In case of absence or absence with leave for a reason other than disability which is authorized by the local management, employment will be considered as continuous without any deduction if it does not exceed three (3) months. However, in case such absence does exceed three (3) months, the period of absence in excess of three (3) months will not be considered as Company Service unless otherwise authorized by the local management. If an employee who is thus absent fails to return to work when able to do so and at the time designated by the Company, he will be considered as voluntarily terminating his employment and his Company Service Credit shall end as of the date on which such absence commenced.
- (c) In case of rehire or reinstatement subsequent to discharge for cause or resignation at the Company's request, credit will be given for service only since last date of rehire or reinstatement by the Company, unless otherwise authorized by the local management.
- (d) An employee on the active payroll January 1, 1973, or rehired thereafter, who had been credited with Continuous Service Credit for one or more periods of prior employment but who had lost such credit because of (a) a layoff lasting for more than four (4) consecutive years, or (b) termination for any other cause, will have such prior Continuous Service Credit restored upon completing a total of two (2) years of currently accredited Continuous Service Credit following reemployment.

APPENDIX E
PERSONAL ABSENCE WITHOUT PAY

Employees will be granted time off without pay when the workload permits, as follows:

- (a) Minimum time necessary to attend a marriage in the immediate family not to exceed three (3) days.
- (b) Minimum time to attend the marriage of a close friend or relative when employee is participating in ceremony such as best man or usher not to exceed three (3) days.
- (c) Minimum time necessary to attend the funeral of a close friend or relative not to exceed three (3) days.
- (d) Minimum time necessary for settlement of estates, to serve as witness when subpoenaed in court, dental work, legal closing of purchase or sale of the employee's personal residence, financial or legal transactions with Government officials on personal, not business matters, where personal attendance is required with the understanding that the specific time off is beyond the control of the employee.
- (e) Minimum time necessary to attend graduation of a son or daughter from school at the junior high school level or beyond.
- (f) Minimum time necessary to attend to duties in key meetings as a voting delegate to the Credit Union, as a member of a local governmental body or as a Community Chest Director.
- (g) Problems of a personal nature that are considered to be too sensitive to discuss with first-line manager may be referred to the Medical Director for a decision.

On items of equal importance necessary time off will be granted without pay by informing his first-line manager and giving the nature of the item, the time, the place and the approximate time necessary.

No time will be granted to conduct another business or occupation or avocation or to attend conventions or meetings or to attend to matters that can be handled reasonably outside working hours.

The Company agrees to meet with the Union Committee when either party feels that there is a need to discuss the personal absence policy.

PENSION, GROUP INSURANCE AND DENTAL AGREEMENT

WITNESSETH:

The Company and the Union hereby agree upon the maintenance of the Pension Plan as amended, the Group Insurance Plan as amended and the Dental Insurance Plan as amended for the Bargaining Unit employees represented by the Union at the Company's Paducah site, subject to the following terms and conditions:

PART A - PENSION PLAN

Note: The addendum agreement between the Company and PACE Local 5-550 contains a list of all employee benefit plans. The plan descriptions are contained in the Bechtel Jacobs Company LLC Employee Handbook. The following provisions in this section will continue to apply to the administration of employee benefits program.

- (a) It is understood that if any dispute arises from the denial of a Bargaining Unit employee's claim for benefits under the Pension Plan, then such dispute may be taken up through the Grievance and Arbitration Procedure of the principal Collective Bargaining Contract then in effect between the parties.
- (b) The obligation of the Company to maintain the Pension Plan, as herein provided, is subject to the requirement that approval by the Internal Revenue Service for the amended Plan is received and maintained continuously as:
 - (1) Qualifying under Section 401 of the Internal Revenue Code or any other applicable section of the Federal tax laws (as such Sections are now in effect or are hereafter amended or enacted); and
 - (2) Entitling the Company to deduction for payments under the Plan pursuant to Section 404 of the Internal Revenue Code or any other applicable section of the Federal tax laws (as such Sections are now in effect or are hereafter amended or enacted).

In the event that any revision in the Pension Plan is necessary to receive and maintain such approval or to meet the requirements of any other applicable Federal law, the Company and the Union shall resume negotiations for the purpose of reaching agreement on such revision, it being understood that such revision shall be held to a minimum, adhering as closely as possible to the intent expressed in the Pension Plan and in this Agreement.

PART B - GROUP INSURANCE PLAN

Note: The addendum agreement between the Company and PACE Local 5-550 contains a list of all employee benefit plans. The plan descriptions are contained in the Bechtel Jacobs Company LLC Employee Handbook. The following provisions in this section will continue to apply to the administration of employee benefit program.

- (a) Participation in the Group Insurance Plan shall be on a voluntary basis.

PART C - DENTAL INSURANCE PLAN

Note: The addendum agreement between the Company and PACE Local 5-550 contains a list of all employee benefit plans. The plan descriptions are contained in the Bechtel Jacobs Company LLC "Your Benefits Employee Handbook". The following provisions in this section will continue to apply to the administration of employee benefit program.

- (a) Dental Insurance Plan coverage will be paid for entirely by the Company.

PART D - GENERAL PROVISIONS

- (a) During the term of this Agreement, the Company Service Credit of an employee for the purpose of determining eligibility for benefits under the Pension, Dental Insurance and Group Insurance Plans, and of computing the amounts of such benefits, shall be determined in accordance with the Company Service Credit Rules set forth in the principal Collective Bargaining Contract then in effect between the parties. However, it is understood that with respect to the Pension Plan, "credited service" as defined in that Plan shall govern.
- (b) In the event of the enactment or amendment of any Federal or State law providing for benefits similar, in whole or in part, to those covered by Parts B or C of this Agreement, and requiring either (a) compulsory participation by any employee or the Company; or (b) compulsory payment of taxes or contribution by any employee or by the Company; or (c) benefit costs either to any employee or the Company different from those provided for under Part B or C of this Agreement, then the parties hereto agree that they will amend this Agreement so as to provide that the total cost to the Company for insurance benefits of whatsoever nature for its employees will not be greater in amount than such costs as provided by law or by Part B or C of the Agreement, whichever costs are greater.
- (c) The Company shall retain the right to arrange through an insurance company(s) or other carrier(s) for coverage providing the benefits under the Group Insurance and Dental Insurance Plans, current coverage having been arranged with the Metropolitan Life Insurance Company (herein called the "Insurance Company").
- (d) The administration of the Group Insurance and Dental Insurance Plans hereunder and the payment of benefits under the Plans shall be handled directly by the Insurance Company, it being understood that a claimant whose benefits claim is denied may contest such denial with the Insurance Company, but that he shall have no redress whatsoever against the Company. It is agreed, however, that in any case in which an employee claiming benefits under the Group Insurance or Dental Insurance Plans and desiring to file such claim with the Insurance Company, becomes engaged in a non-medical factual dispute with the Company in connection with such claim (such as, for example, but not limited to, disagreement over his earnings group, eligibility, employment status, amount of Company Service Credit, or other non-medical factual question), such employee and the Union may process such dispute through the Grievance Procedure set forth in the principal Collective Bargaining Contract then in effect between the parties. It is agreed that any arbitration award as to such factual dispute shall be final and binding upon the parties hereto and the employee thereafter may present his claim to the Insurance Company on the basis of the facts as determined by said award.

It is agreed, however, that any and all medical questions in dispute shall be determined solely by the Insurance Company. To request review of any such dispute, the Bargaining Unit employee shall make written application therefor to the Insurance Company not more than sixty (60) days after his receipt of the Insurance Company's position giving rise to the dispute. Within sixty (60)

days after the Insurance Company's receipt of the application for review, it shall inform the employee in writing of its decision in final disposition of the dispute. Under special circumstances, the Insurance Company may extend the time for processing the review, but its decision in final disposition of the dispute shall be rendered not later than one hundred twenty (120) days after its receipt of the application for review.

- (e) Regardless of the time limit, if any, prescribed in the applicable principal Contract for the filing of a grievance concerning the alleged violation of such Contract, a claimant's appeal under Part A - Section 2 or Part D - Section 5 (first paragraph) will be processed in accordance with the Grievance and Arbitration procedure, provided that such grievance is filed not more than sixty (60) days after the claimant's receipt of the Company's position giving rise to the nonmedical factual dispute.
- (f) This Pension, Group Insurance and Dental Insurance Agreement shall replace all prior agreements pertaining to the Pension, Group Insurance and Dental Insurance Plans, including any amendments to them.

**MEMORANDUM OF AGREEMENT
HEALTH CARE PLAN**

A Comprehensive Medical Plan designed to pay the major share of covered hospital, surgical and medical expenses, while attempting to control health care costs by encouraging the use of cost-effective services.

A Vision Care Plan with no deductible which includes an eye examination once every twelve months, one pair of lenses once every twelve months, and one pair of frames once every twenty-four months.

- (1) The Company will arrange with an insurance company to make available to participating employees in the bargaining unit certain benefits set forth in the booklet entitled Bechtel Jacobs Company LLC "Your Benefits Employee Handbook".
- (2) It is agreed that the gross cost of the said health benefits program shall be shared by the Company and participating employees. Each employee who enrolls in the plan shall pay the applicable rate, such rate representing nine (9) percent of the total gross cost. The Company shall pay the remaining ninety-one (91) percent of the cost.
- (3) Employee participation in the program shall be on a voluntary basis. Employees who enroll in the program shall authorize the Company in writing to deduct from their pay the applicable rate.

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

The Medical Department will continue to investigate all avenues of medical information available to them within the province of medical ethics, in all cases of permanent restrictions and will furnish such information to any licensed practicing physician (M.D.) at the request of any employee having such restrictions.

In cases involving permanent restrictions, the employee will be placed on a temporary restriction for a reasonable length of time to allow him opportunity to seek outside medical diagnosis which can be presented to the Company Medical Department.

All employees will be advised in writing of the medical restriction and its cause if requested by the employee.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

The following is an administrative agreement dealing with vacation and holiday pay for employees who are temporarily reclassified:

If an employee is temporarily reclassified to a higher classification for one full week prior to taking one or more full weeks of vacation, and for one full week after said vacation, the vacation pay will then be at the higher rate.

If an employee is temporarily reclassified to a higher classification for a full week containing a holiday, he will be paid the holiday pay at the higher rate.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

A general wage increase will be applied, when effective, to employees on short-term disability as defined in Article IX, Section 1. A general wage increase will not apply to employees on long-term disability as defined in Article IX, Section 2. However, if an employee returns to work from long-term disability absence, he will receive the appropriate rate then in effect under the wage schedule of Appendix A.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

The parties agree that in order to clarify the vested rights for the subsequent year's vacation for employees, with one or more years of service, who are absent because of disability as of December 31, the following guidelines will apply:

1. If such an employee is receiving, on December 31, either Nonoccupational Disability or Occupational Disability payment as outlined in Article IX, Section 1 of the Company-Union Contract, he shall be regarded as "being on the payroll" as of December 31 and will be vested for the subsequent year's vacation.
2. In any event, if such an employee files a claim for Long Term Disability before, on, or after December 31, and such disability payment becomes effective prior to December 31 of the previous year, such an employee will not have vested rights to the subsequent year's vacation.
3. If such an employee is not receiving benefits under Article IX, Section 1 on December 31, he will not be vested for the subsequent year's vacation unless he returns to work in that subsequent year.
4. It is understood that the above clarification relates solely to vacation vesting and does not affect any other determination of whether an employee is deemed to be on the payroll.
5. Under no circumstances will an employee be eligible for vesting vacation for more than one year on the basis outlined above.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

Our normal practice will be to suspend an employee at least two working days prior to discharge for cause. Labor Relations shall notify the Union President at the time of such a suspension of any Bargaining Unit employee. At the request of the Union, the Company will meet with the Union President and the Committeeperson involved for discussions prior to discharge of an employee for cause. The Company will not discipline (discharge, suspend, or issue written reprimand) any employee without just cause.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

This confirms our discussions with you concerning the question of management doing bargaining unit work.

The Company's intent is that nonbargaining personnel will not do bargaining unit work and they will be so instructed at the time the new contract is explained. Management will give special attention to those individuals unwilling to comply with the stated intent.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 17, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

The following is an amended letter to replace the letter of administrative understanding dated July 31, 1993, which was the Company/Union agreement on administration of transfer from one work group to another, work assignments out of classification, and the arrangement of work groups.

Transfers from one work group to another work group over thirty (30) days will be made by seniority (Group Seniority) preference, except that in the Maintenance Mechanic Classification the Company may assign employees across work groups for the required time to perform specific jobs such as cell changes, valve changes, large piping jobs, and the shutdown or startup of a facility.

Work groups are defined as job classifications:

Not considered as a transfer are assignments for cross-training of employees within a job classification in Operations for a period not to exceed three (3) months. In the event of a shutdown or cutback and subsequent reactivation of a building, the employees moved out of said building may be returned on a seniority basis. Shift preference within a shift preference group will supersede work group transfers.

Work assignments out of classification shall be made by seniority preference within the work group to the interested qualified employee except assignments for less than six (6) working days.

VACATION LISTING

CLASSIFICATION*

Maintenance
Maintenance Mechanics
Instrument Mechanics

VACATION LISTINGCLASSIFICATION*

Electrical Mechanics
Machinists
Sheet Metal Workers
Carpenters
Locksmith
Painters
Heavy Equip. Mechs. & Garage Mechs.
Heavy Equipment Operators
Truck Drivers

Operators
Operator B

Material Handlers
Chauffeurs
Lubricators
Janitors
Laborers

*Up to twenty (20) percent of employees on vacation lists may schedule KEA, Thanksgiving, and Christmas weeks beginning in calendar year 1990.

OVERTIME LISTING

Maintenance Mechanics: ECC
 D&D
 Cylinder Management

Machinists
Sheet Metal Workers
Carpenters
Locksmith
Painters
Heavy Equip. Mechs. & Garage Mechs.
Heavy Equipment Operators
Converter Assemblers
Truck Drivers
Instrument Maintenance:
Electrical Maintenance:
Operators
Operator B
Material Handlers

Laborers
Janitors

SHIFT PREFERENCE LIST

Shift preference groups are defined as job classification except as follows:

Maintenance Mechanics:	ECC D&D Cylinder Management
------------------------	-----------------------------------

Instrument Mechanics

Electrical Maintenance:	D&D
-------------------------	-----

Operators:	D&D
Cylinder Management	Operator B

Sincerely,

Linda K. Pahl
Employee Relations Manager

LKP:jkw

Lockheed Martin Utility Services, Inc.
P.O. Box 1410
Paducah, Kentucky 42002-1410



July 31, 1996

Mr. D. R. Fuller, President
Oil, Chemical & Atomic Workers
International Union, AFL-CIO
Post Office Box 494
2525 Old Cairo Road
Paducah, Kentucky 42001

Dear Mr. Fuller:

The following is the administrative agreement dealing with the 12-hour shift:

1. All rotating shift workers (PACE) at the Paducah Plant.
2. Consists of two 40-hour, one 44-hour, and one 36-hour work weeks.
3. Hours: 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m.
4. In no case will employees working the newly established 12-hour shift schedules receive standard overtime for hours worked in excess of eight in a 24-hour period. Employees will receive pay for holdover, call-in, and work in excess of 40 hours in a payroll week in accordance with the terms of the contract.
5. Employees receive four hours at the overtime rate once every three weeks when they work the scheduled 44-hour work week.
6. Double time pay for all hours worked on the seventh consecutive day worked in any payroll week or in the alternative, provided all scheduled work days in a payroll week are worked or paid for per Article VI, Section 14, an employee scheduled on a 12-hour shift who works a second day in addition to their normal schedule within the payroll week will be paid the seventh consecutive day (2 X STHR) premium rate. However, the seventh day provision will only apply to one day within the payroll week as follows:
 - a) In the event more than one day could be considered the seventh consecutive day, the day with the greatest number of hours worked (twelve hours or more) will be the qualifying seventh day and all hours worked will be paid at two times STHR. If the qualifying seventh day is less than a 12-hour work day provision (b) applies.

- b) On the occasion when two days could have qualified as the seventh consecutive day and neither of those days were twelve hours or more, hours worked on both days up to a total of twelve hours will be paid at two times STHR. Any additional overtime hours will be paid at 1-1/2 times STHR.
- 7. For working 12 hours on holiday, employee receives double time and a half for eight of the hours and straight time for four of the hours.
- 8. When two worked holidays fall back to back and an employee begins work at 7:00 p.m. on the first holiday, he will receive 16 hours pay at double time and a half.
- 9. Weekend premium will be paid for all hours worked on Saturday and Sunday.
- 10. Shift premium will be paid at sixty (60) cents per hour for hours worked between 7:00 p.m. and 7:00 a.m. No shift premium will be paid for hours worked between 7:00 a.m. and 7:00 p.m.
- 11. When holdover is necessary, the employee may be held over to work four hours and an employee from the overtime list on off shift will be called in to work.
- 12. Meal allowance will be paid after 14 hours of continuous and successive hours.
- 13. Funeral leave allowance will be counted as three 12-hour days. As a special provision, in the event of the death of an employee's spouse or child, funeral leave allowance will be counted as four 12-hour days.
- 14. Vacation, sick, and personal time are accounted for in increments of four and eight hours. Four hours will be one-half day for record purposes and 12 hours will be recorded as one and one-half days of vacation.
- 15. These conditions are not all inclusive and unanticipated situations may arise. The company and union will address such occurrences being guided by the intent of this agreement that no employee will receive a windfall under the contract by virtue of working a 12-hour rather than an eight-hour shift.

Sincerely,

L. K. Pahl, Manager
Employee Relations

LKP:jkw

**SUMMER WORKER PROGRAM AGREEMENT
OCTOBER 22, 2001**

1. The "Summer Worker Program" will be applicable only to the laborer classification.
2. The start rate will be the lower of the two possible start rates for laborers. (Refer to matrix.)
3. All laid-off laborers and Roads & Grounds employees must be recalled prior to any summer workers being hired into laborer positions.
4. There may be up to ten summer worker positions filled at any one time.
5. For purposes of this "Summer Worker Program" agreement, summer shall be defined as the period of time between 04/01 and 09/30 of any particular year.
6. Each summer worker can be worked up to 90 days under this program. This length of time can only be lengthened if both parties agree.
7. It is agreed that workers in the "Summer Worker Program" will not receive, nor will they be offered, any benefits normally afforded PACE-represented employees.
8. Summer workers will not be placed on the Seniority List.
9. Summer workers will not be placed on the recall list when their employment ends.
10. The PACE Union and Company shall view summer workers as probationary.
11. The PACE Union will be informed of whom the summer workers are and when they are to be brought into the "Summer Worker Program."
12. The Company shall make effort to fairly divide the available positions in the "Summer Worker Program" between interested individuals from union and non-union families. Hiring preference will be given to interested students.
13. "Summer Worker Program" employees will be required to join the PACE Union and to remit the appropriate union dues.
14. Overtime will be offered to summer workers only in instances after the entire overtime list has been polled.
15. Employees in the "Summer Worker Program" will not be temporarily reclassified from a laborer to any other classification.
16. Employees in the "Summer Worker Program" will not be offered regular employment ahead of others who have hiring priority through the PACE addendum. Regular employment may be offered to summer workers once the seven hiring steps outlined in the PACE addendum have been exhausted.

10-Hour Workday Shift

1. Hours: 6:00 a.m. to 4:30 p.m.
2. Friday will be the standard day off.
3. On holiday weeks the 10-hour shift will revert back to the standard 8-hour shift. Hours for work on this shift will be 6:00 a.m. to 2:30 p.m.
4. In no case will employees working the newly established 10-hour shift schedule receive standard overtime or shift premium for hours worked in excess of eight in a 24-hour period. Employees will receive pay for holdover, call-in, and work in excess of 40 hours in a payroll week in accordance with the terms of this Contract.
5. An employee scheduled on a ten-hour shift who works a second day in addition to their normal schedule within the payroll week will be paid the seventh consecutive day (2 X STHP) premium rate. However, the seventh-day provision will only apply to one day within the payroll week as follows:
 - (a) In the event more than one day could be considered the seventh consecutive day, the day with the greatest number of hours worked (10 hours or more) will be the qualifying seventh day and all hours worked will be paid at two times STHR. If the qualifying seventh day is less than a 10-hour work day provision (b) applies.
 - (b) On the occasion when two days have qualified as the seventh consecutive day and neither of those days were 10 hours or more, hours worked on both days up to a total of 10 hours will be paid at two times STHR. Any additional overtime hours will be paid at 1-1/2 time STHR.
6. Meal allowance will be paid after 12 hours of continuous and successive hours.
7. Funeral leave allowance will be counted as three 10-hour days. As a special provision, in the event of the death of an employee's spouse or child, funeral leave allowance will be counted as four 10-hour days.
8. Vacation, sick, and personal time are accounted in increments of five (5) hours, half shift and ten (10) hours, whole shift. Vacation eligibility will be accounted for in hours using the formula of the number of weeks eligibility times 40 hours per week.
9. Overtime will be pooled offered in accordance with overtime rules.
10. These conditions are not all inclusive and unanticipated situations may arise. The company and union will address such occurrences being guided by the intent of this agreement that no employee will receive a windfall under the contract by virtue of working a 10-hour rather than an eight-hour shift.

There will be a three-month trial period beginning September 24, 2001 through December 28, 2001. During that time it will be reassessed for future work.

ADDENDUM

AGREEMENT

Bechtel Jacobs Company LLC proposes the following successor agreement to take the form of an addendum to the labor contract between the Union and United States Enrichment Corporation (USEC) covering work performed at the Paducah Gaseous Diffusion Plant in Paducah, Kentucky, and that the Addendum be worded as follows:

ADDENDUM

Between

Bechtel Jacobs Company LLC (hereinafter “Bechtel Jacobs” or the “Company”)

and

**Paper, Allied-Industrial, Chemical and Energy Workers International Union,
and its Local No. 5-550 (hereinafter “PACE” or the “Union”)**

1. Purposes

This Addendum is intended to serve as the basis for effectively moving PACE-represented United States Enrichment Corporation (“USEC”) employees to and between Bechtel Jacobs and/or its subcontractors for the performance of Department of Energy (“DOE”) related work at Paducah, Kentucky. This Addendum is designed to accomplish the transition of “grandfathered” employees in a seamless and non-disruptive manner, while assuring that wages, benefits and accrued severance, accrued seniority, accrued service credit for vacation and pension and other purposes that were accumulated with USEC and its predecessors are maintained at equivalent levels and are transferred to Bechtel Jacobs and/or its subcontractors without interruption. This Addendum is also intended to provide protections for employees who voluntarily transferred from USEC to Bechtel Jacobs, based on USEC seniority, when waste management and cylinder management functions are transferred from USEC to Bechtel. This agreement also provides employment opportunities for available work with Bechtel Jacobs and/or its subcontractors performing environmental restoration, waste management and decontamination and decommissioning at Paducah for laid-off USEC employees and non-grandfathered employees. This Addendum is designed to retain and utilize employees who have site-specific experience and institutional memory, which will help to protect the health and safety of workers employed by Bechtel Jacobs and/or subcontractors, and where required, it will help minimize costs by employing workers who have already obtained security clearances. This agreement is designed and should be construed in a manner to fulfill the statutory and DOE policy requirements to minimize the social and economic impacts of changes to the workforce at a DOE defense nuclear facility as prescribed in Section 3161 of the FY 93 Defense Authorization Act, the 1996 USEC Privatization Act, and the Office of Worker and Community Transition Interim Workforce Planning Guidance.

2. Effect of This Addendum

The addendum portion of this contract will be given priority if conflicts are discovered between stipulations contained in the addendum and other portions of this contract.

3. Application of this Addendum

This Addendum will apply to all work performed by Bechtel Jacobs employees and its first and second tier subcontractors, but does not apply to work performed directly by USEC. The work covered under this agreement is that work which is covered by the USEC contract and/or that which is defined in Section 13 ("Scope of Work") of this Addendum and/or Section 14 of this Addendum ("Future Work"). The Company and PACE recognize and agree that this Addendum is meant to be binding upon any successor contractor at this facility.

4. Subcontracting

It is understood that Bechtel Jacobs may, at its sole discretion, contract or subcontract work or functions normally performed by bargaining unit personnel or work defined in Section 13 ("Scope of Work") and Section 14 ("Future Work"). However, that event, Bechtel Jacobs will, in all cases, impose certain requirements on the 1st and 2nd tier contractor or subcontractor, which requirements will be contained in the bid specifications, requests for proposals and subcontract documents.

The bid specifications, requests for proposals, and subcontract documents referred to in Section 1 will require the subcontractor to hire the bargaining unit workforce which it will employ in the performance of the subcontract from among the group of Bechtel Jacobs employees in the job classifications involved in the performance of that work at Paducah, to the extent such employees are available within the Bechtel Jacobs workforce, and when such employees are not available from Bechtel Jacobs, the bid documents will require hiring to be conducted in accordance with Sections 11.A or 11.B of this Addendum, as applicable appropriate. Those documents will also require the subcontractor, from the outset, to adhere to the wages, fringe benefits and other economic terms and conditions contained in the USEC Contract as modified by this Addendum. Further, those documents will require the subcontractor, following the hiring of its initial and representative complement of employees for the subcontracted work, to immediately comply with any successorship rules of the National Labor Relations Act which will require the subcontractor to recognize the Union as the collective bargaining representative for the affected employees, and to adopt all of the terms and conditions of the USEC Contract, as modified by this Addendum, in connection with the terms and conditions of employment affecting bargaining unit employees who are engaged in performing the work governed by the subcontract. In those cases where Bechtel Jacobs, or a contractor or subcontractor, is not legally defined as a "successor" employer, as established under the National Labor Relations Act, the employer shall recognize the Union upon a showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a union authorization card. (The parties agree to expedite the use of a mutually agreeable neutral third party to review and count cards and/or resolve any disputes). A copy of the boilerplate language Bechtel Jacobs is committing to use (referred to as "Exhibit J") in requests for proposals, bid specifications and subcontracts awarded at Paducah is incorporated and attached hereto at Attachment "A".

5. Responsibilities

A. Substitute Article V of the USEC Contract to read as follows:

"Subject to the Union rights as set forth in the USEC Contract, and as set forth in this Addendum, Bechtel Jacobs and its subcontractors shall continue to exercise its exclusive responsibility for the management of the Paducah plant site, including the non-discriminatory selection and direction of the working forces, the right to adopt and enforce reasonable work rules and regulations (provided it does not violate any article of the collective bargaining agreement), and the right to promote, demote, transfer, hire, rehire, discipline,

discharge, and to determine the job content and qualifications of employees, and the Union agrees these rights are vested exclusively with the Company. Claims of discriminatory promotion, demotion, discipline, or discharge shall be subject to and decided through the Grievance Procedure and Arbitration Clause in this Agreement, except that the Grievance Procedure and Arbitration Clause shall not preclude, nor pre-empt, an employee's right or freedom to pursue a complaint, grievance, suit or other relief and/or remedy that may be available under any state or federal law or regulation."

- B. The Company will notify the Union with regard to any modification(s) to any work rule(s) at least 15 days prior to the proposed effective date of any such change(s).

6. Work Shifts

Bechtel Jacobs and its subcontractors will, subject to bargaining with the Union, have the right to establish or modify various work shifts to meet operational needs and to enable Bechtel Jacobs and/or its subcontractors to operate efficiently. It is understood that changes will only be implemented if they are mutually agreed to by Bechtel Jacobs and/or the subcontractor and the Union and will be subcontractor specific in nature.

7. Stewards

The Union will be entitled to appoint Stewards from among the employees working for Bechtel Jacobs or any Bechtel Jacobs subcontractor. Stewards employed by one contractor shall not have responsibilities with respect to employees of another contractor, except that the President of the Local Union and other appropriate officers shall, at all times, retain the right to represent employees. The number of Stewards shall be designated by the Union, but shall be reasonable and sufficient to represent the employees working for the subcontractor.

8. Fringe Benefit Programs for "Grandfathered" Employees

The fringe benefit programs administered by United States Enrichment Corporation, pursuant to the USEC Agreement, will no longer apply to the employees of Bechtel Jacobs or its subcontractors, e.g., Pension Plan, Group Insurance Plan, Dental Expense Assistance Plan, etc. In place of those benefit programs, Bechtel Jacobs and its first and second tier subcontractors will institute an identical Multiple Employer Pension Plan and Retiree Health Care Benefit Plan and substantially equivalent plans or programs which will apply to grandfathered employees covered by this Addendum as defined in the Bechtel Jacobs Company LLC Handbook for Paducah.

- A. "Grandfathered Employees" are individuals who meet the following conditions:

The individual was either: (1) an employee of Lockheed Martin Energy Systems, Lockheed Martin Utility Services, or Lockheed Martin Energy Research (collectively, LM) on March 31, 1998 or (2) a member of PACE (at the Portsmouth Gaseous Diffusion Plant or Paducah Gaseous Diffusion Plant) who was either an LM employee, United States Enrichment Corporation (USEC) employee, or on the LM or USEC recall list on the date this Bargaining Unit Addendum is ratified and formally concluded.

- B. A “Grandfathered” employee who incurs a break in service of any length will continue to be a Grandfathered employee upon re-employment by the Contractor or by any of its first-tier or second-tier Subcontractors under this Contract.
- C. For clarification purposes, any employee who transfers from USEC to Bechtel Jacobs or its subcontractors, who was employed by USEC on the date that this Addendum is ratified and formally concluded, shall be classified as a “Grandfathered Employee” without regard to the date that he or she transfers from USEC to Bechtel Jacobs or its subcontractor(s).
- D. Employee benefits are set forth in the Bechtel Jacobs Employee Handbook for Paducah. Employee benefit plan documents are incorporated in this Addendum by reference, and shall include (See attachment “C” for summary of benefit plans and programs):
- 1) Multiple Employer Pension Plan
 - 2) Retiree Health Care Benefit Plan
 - 3) Employee Health Care Plan (medical, prescription drug and vision)
 - 4) Dental Plan
 - 5) Employee Savings Plan
 - 6) Basic and Supplemental Life Insurance Plan
 - 7) Flexible Spending Accounts
 - 8) Special Accident Insurance Plan
 - 9) Employee Assistance Program
 - 10) Basic Short Term Disability Plan
 - 11) Basic Long Term Disability Plan
 - 12) Business Travel Accident Insurance Plan

Notwithstanding provisions contained in other benefit plan documents or notices, Bechtel Jacobs and its first and second tier subcontractors shall not eliminate benefit plans or programs, nor shall they provide less than substantially equivalent benefit levels (subject to availability of such plans or programs), unless they notify and bargain with PACE, in accordance with applicable federal and state law.

For purposes of clarification, all “grandfathered” and “non-grandfathered” hourly employees covered under this Addendum who qualify for the Short Term Disability Plan shall receive Short Term Disability payments on the first day out of work, for terms consistent with Article IX of the USEC contract, and there shall be no waiting periods.

Service credits accumulated with USEC shall be credited by Bechtel Jacobs or its first and second tier subcontractors as outlined in the chart below.

SERVICE CREDIT THAT TRANSFERS FROM USEC TO BECHTEL JACOBS AND/OR ITS SUBCONTRACTORS						
	Years of Service Credited for Vacation	Years of Service Credited for Pension that is Applied to MEPP	Years of Service Credited for Savings Plan 401(k)	Years of Plant Seniority Accrued in the Bargaining Unit	Years of Service Credited for Accrued Severance	Years of Service Credited of Eligibility for Retiree Health Care Benefits
Employees transitioned from USEC to BJC or subs under Section 11.A (no severance payment)	X	X	X	X	X	X
Employee (volunteer) who quits USEC and is employed by BJC/ sub and receives no severance from USEC	X	X	X	X	X	X
Employee who is laid off and receives severance from USEC	X	X	X	X		X
Employee who retires and collects pension & severance from USEC			X	X		X

9. Fringe Benefit Programs for New Hires:

- A. All benefit plans available and provided to grandfathered employees shall be provided to non-grandfathered employees by Bechtel Jacobs and its first- and second-tier subcontractors, except for participation in the Multiple Employer Pension Plan. Pension Plan benefits as set forth in the USEC Contract are not applicable to newly hired employees of Bechtel Jacobs or its subcontractors who are not defined as “grandfathered employees.” In lieu of the Multiple Employer Pension Plan, Bechtel Jacobs and its subcontractors will contribute the profit sharing component of a 401(K) profit sharing plan in an amount equal to 5.8% of the applicable hourly wage for every hour worked. Employee vesting in this profit sharing component shall be immediate. For purposes of clarification, the Retiree Health Care Benefits Plan will remain available to new hires in the same manner as “grandfathered” employees.
- B. The terms of plans or programs for “new hires” are set forth in the Bechtel-Jacobs Employee Handbook for Paducah; the plan and program documents are incorporated in this Addendum by reference; and shall include the plans and programs and conditions listed in Section 8(D) (items 2-12) of this Addendum. The terms of certain plans and programs are summarized in Attachment “C”.

10. Indemnity

- A. A new section 5 is added to Article III of the USEC Contract, to read as follows:

“The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, action taken by the Company for the purpose of complying with Article III.”

11. “Red Circled” Employees, Filling Vacancies, Layoffs

- A. PROVISION FOR “RED CIRCLED” EMPLOYEES IN WASTE MANAGEMENT AND CYLINDER MANAGEMENT--If and/or when Bechtel Jacobs intends to self-perform or subcontract all or part of the waste management and cylinder management functions that, at the time of transition, are being performed by USEC bargaining unit employees, the Company shall offer a right of first refusal to USEC hourly employees in the classification performing the work being transitioned, starting with the most senior employee and proceeding down the list to the most junior employee, unless the positions are filled before the bottom of the list is reached. This right of first refusal will be provided without regard to whether the individual who elects to transition has performed the specific job task previously.

If available positions are not filled by individuals from the affected classification within USEC, then those who are on recall from an affected classification (and working in a lower or base classification) shall be provided a preference based on classification seniority for available positions. In the event that Bechtel Jacobs and/or the subcontractor cannot fill the vacancies with USEC bargaining unit employees from the affected classification(s) for these positions, Bechtel Jacobs and/or its subcontractors shall offer employment to USEC bargaining unit employees who volunteer from other job classifications, based on plant seniority before hiring from other sources outlined below.

The affected employee will have the opportunity, if deemed necessary by the employee or the Company, to demonstrate to Bechtel Jacobs and/or the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these waste management and cylinder management positions, Bechtel Jacobs and/or the subcontractor shall provide job and task-specific training to assure competent job performance; provided, that this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless the Company opts to provide such training at its discretion.

Those bargaining unit employees hired into positions in waste management and cylinder management shall be designated as “red circled” employees. “Red circled” employees shall not be bumped from these positions by more senior individuals in the event of layoffs from either Bechtel Jacobs or USEC. However, after a “red circled” employee terminates employment and no longer remains on the recall list, or retires from employment with Bechtel Jacobs and/or its subcontractors, the “red circle” designation is extinguished for that employee, and the ensuing vacancy will be filled in accordance with seniority provisions in the USEC Contract and Section 11(B) and (C) of this Addendum. The “red circle” designation attaches to the employee and not the position, and is not portable to other subcontractors, unless these are successors.

B. FILLING VACANCIES--With the exception of positions covered under Subpart A above, Bechtel Jacobs and its subcontractors shall fill vacancies for positions covered under Section 13 (“Scope of Work”) and Section 14 (“Future Work”) in the following order:

1. Recall:

- a. First: those qualified bargaining unit employees in the same job classification as the vacancy exists who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;
- b. Second: those qualified bargaining unit employees in the same job classification as the vacancy exists on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1);

2. Job Bid:

The job bid opportunity is limited to employees of the particular employer who has the vacancy.

3. a. First: those qualified bargaining unit employees in classifications other than the one the vacancy exists in who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;
- b. Second: those qualified bargaining unit employees in classifications other than the one the vacancy exists in on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1.);

4. those qualified bargaining unit employees laid off or notified of lay off (through voluntary or involuntary separations) from USEC at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996, in order of seniority;
5. those qualified non-bargaining unit employees laid off (through involuntary separations) from Bechtel Jacobs or laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
6. those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
7. those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act; and then
8. those qualified bargaining unit employees receiving retirement benefits from USEC at Paducah, in order of seniority.

However, prior to filling vacancies, Bechtel Jacobs and/or its subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall list, and those eligible under Section 3161 of the FY 93 Defense Authorization Act.

In filling vacancies, Bechtel Jacobs and/or its subcontractors shall provide a right of first refusal in order of seniority for available work within the classification for which the displaced employee can qualify. If no qualified employees can be obtained in a timely manner from these eight aforementioned sources, Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.

In the event of involuntary layoffs, USEC employees at Paducah with greater seniority shall have the right to bump more junior employees within the same or lower classification within Bechtel Jacobs and/or its subcontractors, consistent with skill mix requirements. "Plant seniority" accrued at other DOE or USEC locations shall not be transferable to Paducah.

USEC employees who choose to take a voluntary reduction in force will have no bumping rights under this addendum.

No "red circle" provisions shall apply to any employees except in regard to employees covered under paragraph Section 11(A) above.

- C. REDUCTIONS IN FORCE--Reductions in force by Bechtel Jacobs and its subcontractors will be governed by the provisions of Article XII, Section 3 of the USEC Contract. Article XII shall be amended to add:

"When a subcontractor schedules a layoff, that subcontractor will provide four (4) weeks notice to Bechtel Jacobs and the President of the Union, and Bechtel Jacobs will initiate the following steps to provide for continuing employment by:

1. Transitioning the affected employees to vacancies with other subcontractors, provided work is available, or

2. Transitioning employees to Bechtel Jacobs, provided work is available.
3. In the event no work is available in either of the two preceding steps, then the affected employee(s) may displace, if he/she so desires, the least senior employee with Bechtel Jacobs and/or another subcontractor in an equal or lower rated job classification whose work he/she has the skills and qualifications to perform at the site. If necessary, the affected employee will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, Bechtel Jacobs and/or the subcontractor shall provide job- and task-specific training to assure competent job performance; provided, that this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless the Bechtel Jacobs and/or the subcontractor opts to provide such training at its discretion.”

12. Modification of Terms

It is understood that this document may be altered, changed, or amended but only by mutual written agreement of the parties.

13. Scope of Work

This agreement shall cover EM/UP (Environmental Management/Uranium Programs) activities or projects as defined in the Department of Energy Contract No. DE-AC-98-OR-22700, as amended, or in the Bechtel Jacobs Lifecycle Baseline, as amended, or work scope assigned by the Department of Energy to Bechtel Jacobs and/or assigned by Bechtel Jacobs to its first and second tier subcontractors, regardless of funding source, that includes tasks, functions or activities which have historically or traditionally been performed by the PACE represented hourly workforce at the Paducah facility. The work scope shall be assigned and apply to the PACE workforce without regard to the applicability of any labor standards (prevailing wage) determination (e.g., Davis Bacon Act, Service Contract Act, etc.).

Activities to be performed by PACE workers under this agreement will include:

- A. **WASTE MANAGEMENT:** Packaging waste (which has been historically or traditionally performed by bargaining unit workers); overpacking waste containers; repackaging waste containers; staging waste containers for shipment or sampling; used drum decontamination; loading waste containers for on-site and off-site transportation; operations of the site’s waste water treatment facilities; operation and maintenance of waste storage facilities and landfills; waste water disposal; inspections, maintenance and decontamination of PCB storage, collection and containment systems; inspection, maintenance and decontamination of PCB spill sites; and operations of waste treatment processes, excluding unique/special processes provided by vendors that are not historically or traditionally performed by the PACE workforce
- B. **DUF6 CYLINDER MANAGEMENT:** DUF6 cylinder inspection, repair, movement, sampling, sandblasting, preparation for coating and painting, coating, painting, restacking, empty cylinder washing and cleaning, cylinder yard preventive and corrective maintenance, and other DUF6 cylinder surveillance and maintenance functions that have been historically or traditionally performed by PACE.
- C. **ASBESTOS ABATEMENT:** asbestos abatement associated with maintenance, equipment repairs or modifications, and decontamination/decommissioning of process equipment and piping.

- D. SITE SURVEILLANCE AND MAINTENANCE: site surveillance and maintenance tasks, including waste processing lift station checks, bar screen and outfall inspections, and tasks associated with post-remediation operations and maintenance that have been historically or traditionally performed by PACE.
- E. PAINTING: painting, except where related to construction.
- F. SCRAPPED METALS: remove, operate electromagnetic crane, decontaminate, size reduce, package, stage, prepare for recycle, and on-site disposal of all previously scrapped metals, including drum mountain.
- G. ENVIRONMENTAL REMEDIATION/REMEDIAL ACTIONS: operate equipment and tools to excavate, treat and remove soil, sludge, sediment and buried waste; operate equipment and tools to scrape, dig, scoop, and muck-out sediments, soil and contamination from drainage ditches, sewers, and outfalls; on-site transportation of excavated waste and related materials to a disposal cell or staging area or on-site landfill; dispose of materials in an on-site landfill; operate equipment and tools to dig up burial grounds; excavate backfill material; install backfill materials; containerize and package excavated and residual waste materials for off-site shipment; operate on-site waste processing equipment, including a uranium chip roaster and thermal treatment equipment; operate equipment to treat contaminated waste water and radionuclides that are collected during remedial activities; decontaminate equipment after project completion, except operations of special equipment brought in by vendors which have not been historically or traditionally performed by PACE workers.
- H. OPERATIONS AND MAINTENANCE: Operations and maintenance of all or part of the gaseous diffusion plants and process buildings, in the event that USEC turns over all or part of the uranium enrichment facilities to the Department of Energy pursuant to the terms of their lease.
- I. SHUTDOWN/DEACTIVATION/DECONTAMINATION & DECOMMISSIONING: For those inactive facilities that are already designated by the Department of Energy for decontamination and decommissioning (such as C-340, C-410 and C-420), and, for all or part of the gaseous diffusion plants, active or inactive (such as C-331 and C-335), and related support facilities (such as C-400, C-720, process switchyards):
1. safe shutdown,
 2. deactivation and stabilization,
 3. process systems disconnect (including all chemical, radiation and support utilities),
 4. removal of process equipment, process piping and process related electrical, except heating, ventilation, and air conditioning ("HVAC"), structural and architectural features and non-process related electrical,
 5. decontamination of process equipment, process piping, and surplus materials, and equipment,
 6. size reduction and packaging/loading of process equipment and piping, and
 7. recycling of process equipment, piping and scrap materials.
- J. DOE MATERIAL STORAGE AREAS: decontamination, equipment handling, preparation for inspection, packaging, staging and disposition of materials and waste in DOE Material Storage Areas;

- K. REINDUSTRIALIZATION/FACILITY REUSE: Reindustrialization/facility reuse support which is assigned to Bechtel Jacobs or its subcontractors for work historically or traditionally performed by PACE, such as decontamination, tie-in of utilities, repair of utilities, and surveillance and maintenance of buildings after occupancy.
- L. DOE FUNDED WORK SCOPES HISTORICALLY PERFORMED BY USEC: DOE funded work scopes transferred from USEC to Bechtel Jacobs in the future, including, but not limited to: site utilities, “captive” operations and maintenance work related to site infrastructure, and electronic infrastructure within Paducah site, including telephone installation and maintenance, radio network repairs, install and repair computers in DOE, PA systems, calibration and repair of all radiological instruments and test equipment, scale calibration and maintenance, process instruction and calibration and repair of electrical measurement equipment.
- M. Bechtel Jacobs will not engage in, nor will it permit any of its subcontractors to engage in subcontracting of work below the second tier, whereby second tier contracting is defined as two tiers below Bechtel Jacobs that applies to the bargaining unit.
- N. The exclusion of any work scopes above shall not preclude work from being considered within the scope of this agreement.

14. Future Work

- A. Bechtel Jacobs shall provide a copy of the Paducah Life Cycle baseline, or the successor document, for both the Environmental Management or Enrichment Facilities/Uraniun Programs, to the President of the Local Union on or before the beginning of each fiscal year for the Department of Energy. To facilitate implementation of Section 14, Bechtel Jacobs representatives shall review these Baselines with the President of the Local Union not less than 30 days after the beginning of each fiscal year (or 30 days after transmittal of the Baselines to the Union) to identify any additional work that had not been specifically identified in earlier Baselines. At this point, the parties shall evaluate and allocate this additional work as a Supplement to this Addendum, using the criteria of whether PACE members had historically or traditionally performed this work at Paducah.
- B. As future work is identified and has not historically or traditionally been performed by PACE at Paducah, Bechtel Jacobs will notify PACE Local 5-550 in writing, not less than 60 days prior to Bechtel Jacobs commencing work or issuing a request for proposal or other bidding documents to prospective subcontractors. Prior to taking these steps, Bechtel Jacobs will negotiate in good faith to establish a jurisdictional definition for PACE workers. For this condition to be met, PACE commits that, consistent with a workforce restructuring plan in effect at the site, it will assist in referring the necessary skilled and qualified workforce.

15. Existing Subcontracts

The Addendum shall not apply to certain existing subcontracts, which were awarded prior to the effective date of this Addendum. These are outlined in Attachment “B” to this Addendum.

- B. "If Bechtel Jacobs, or its first tier subcontractor, amends or modifies one of its subcontracts listed in Exhibit “B” to add new scope(s) of work such that these scope(s) of work would include work covered under Sections 3, 13 or 14 of this Addendum, then Bechtel Jacobs or its subcontractor shall notify PACE

not less than 7 days prior to concluding such amendment and shall comply with the terms of this Addendum for such additional work scope(s).

16. Training

The parties jointly recognize the critical importance of training to the success of the Paducah cleanup mission, and will cooperate to the fullest extent in establishing, supporting, and seeking government and/or other assistance or grants for all appropriate training programs for PACE- covered work performed at the Paducah site.

The Company is fully committed to provide training and retraining for the PACE bargaining unit workforce to assure an optimal match of skills with project requirements, subject to the availability of funding for this training and the DOE's Paducah workforce restructuring plan. These training programs, if required, will be developed to minimize the social and economic impacts from changes to the workforce and maximize re-employability.

17. Severance Agreements and Pension Agreements between USEC and Bechtel Jacobs

The Layoff Liability Agreement between Bechtel Jacobs and USEC dated December 16, 1999, the Pension Asset Transfer Agreement between Bechtel Jacobs and USEC (dated January 7, 2000), Pension Asset Transfer Agreement between USEC and Bechtel Jacobs (dated January 7, 2000), and the Asset Transfer Agreement from the USEC Savings Plan to the Bechtel Jacobs Savings Plan (dated January 7, 2000) are hereby incorporated in this Addendum at Attachment "D."

IN WITNESS WHEREOF, each of the parties has caused this Contract (consisting of the USEC Contract and the terms of this Addendum) to be executed by its duly authorized representatives on this ____ day of February, 2000.

Bechtel Jacobs Company, LLC

**Paper, Allied-Industrial, Chemical
and Energy Workers International Union**

PACE International Representative

**Paper, Allied-Industrial, Chemical
and Energy Workers, Local 5-550**

Date_____

Version 22 (2/21/00)

List of Attachments to Bechtel Jacobs-PACE Addendum:

- Attachment A - Bechtel Jacobs Exhibit “J” as it relates to PACE
- Attachment B - List of Existing Subcontracts
- Attachment C- Benefit Plans
- Attachment D - Layoff Liability Agreement; Pension Asset Transfer Agreement between Bechtel Jacobs and USEC; Pension Asset Transfer Agreement between USEC and Bechtel Jacobs; and Asset Transfer Agreement (Savings)

ACTING UNDER US DEPARTMENT OF ENERGY PRIME CONTRACT
NO. DE-ACO5-98OR22700

ATTACHMENT “A”

EXHIBIT J

(as related to PACE)

WAGE DETERMINATION

LABOR STANDARDS DETERMINATIONS
(PACE Recognized Work under the Bechtel Jacobs-
PACE and its Local 5-550 Addendum [Paducah, KY])

1. PACE COVERED WORK (Davis-Bacon Act)

- A. For any portion of the scope of work within this subcontract, Exhibit “D,” that is identified as “Covered Work under the Davis-Bacon Act, and is incorporated in Sections 3, 13, or 14 of the Addendum” between Bechtel Jacobs Company and PACE and its Local 5-550 (Paducah, KY), the SUBCONTRACTOR agrees in the performance of this Subcontract to comply fully with the clauses of the GENERAL CONDITIONS (Exhibit A) and SPECIAL CONDITIONS (Exhibit B) incorporating the requirements of the Davis-Bacon Act. SUBCONTRACTOR agrees to obtain its workers in accordance with the agreement between Bechtel Jacobs Company LLC and PACE currently identified as item 11.B., which requires hiring in the following order:

1. Recall:
 - a. First: those qualified bargaining unit employees in the same job classification as the vacancy exists who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;
 - b. Second: those qualified bargaining unit employees in the same job classification as the vacancy exists on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1);
2. Job Bid:

The job bid opportunity is limited to employees of the particular employer who has the vacancy.
3.
 - a. First: those qualified bargaining unit employees in classifications other than the one the vacancy exists in who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;
 - b. Second: those qualified bargaining unit employees in classifications other than the one the vacancy exists in on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1.);
4. those qualified bargaining unit employees laid off or notified of lay off (through voluntary or involuntary separations) from USEC at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996, in order of seniority;
5. those qualified non-bargaining unit employees laid off (through involuntary separations) from Bechtel Jacobs or laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
6. those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
7. those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act; and then
8. those qualified bargaining unit employees receiving retirement benefits from USEC at Paducah, in order of seniority.

If no qualified employees can be obtained in a timely manner from these eight aforementioned sources, Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.

- B. Prior to filling vacancies, Bechtel Jacobs and/or its subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall list, and those eligible under Section 3161 of the FY 93 Defense Authorization Act.
- C. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the PACE collective bargaining unit covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR, is not a "successor" employer, as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize PACE upon showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a PACE union authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE until such time as the parties conclude a labor agreement on these terms or, consistent with the National Labor Relations Act, agree to modify non-economic terms of the agreement. (The SUBCONTRACTOR and PACE shall select and use a mutually agreeable neutral third party to review and count cards and/or resolve any disputes.)
- D. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operate in compliance with the terms and conditions of the referenced Collective Bargaining Agreement.
- E. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.
- F. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.
- G. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with the Bechtel Jacobs Company LLC contract with the Department of Energy.

2. PACE NON-COVERED WORK (Service Contract Act) (workforce transition of PACE represented incumbent employees)

- A. For any portion of the Scope of Work (Exhibit D) that is identified as “PACE-Non-Covered Work; PACE Workforce Transition,” the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, it shall offer a right of first refusal for employment to USEC hourly employees in the classification performing the work being transitioned, starting with the most senior employee and proceeding down the list to the most junior employee, unless the positions are filled before the bottom of the list is reached. This right of first refusal will be provided without regard to whether the individual who elects to transition has performed the specific job task previously. In the event the subcontractor cannot fill the vacancies with USEC bargaining unit employees from the affected classification(s) for these positions, subcontractors shall offer employment to USEC bargaining unit employees who volunteer from other job classifications, based on plant seniority before hiring from other sources outlined below. The affected employee will have the opportunity, if deemed necessary by the employee or the Company, to demonstrate to Bechtel Jacobs and/or the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, the subcontractor shall provide job and task specific training to assure competent job performance; provided, that this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless the Company opts to provide such training at its discretion.
- B. Those bargaining unit employees hired into positions in waste management and cylinder management shall be designated as “red circled” employees. “Red circled” employees shall not be bumped from these positions by more senior individuals in the event of layoffs from either Bechtel Jacobs or USEC. However, after a “red circled” employee terminates employment and no longer remains on the recall list, or retires from employment with Bechtel Jacobs and/or its subcontractors, the “red circle” designation is extinguished for that employee, and the ensuing vacancy will be filled in accordance with seniority provisions in the USEC-PACE and its Local 5-550 Contract and Sections 11(B) and (C) of the Bechtel Jacobs-PACE and its Local 5-550 Addendum (Paducah, KY). The “red circle” designation attaches to the employee and not the position, and is not portable to other subcontractors, unless these are successors. SUBCONTRACTOR also agrees that it will pay its non-supervisory employees at rates which are no less than the wages, fringe benefits and other economic terms and conditions contained in the current labor agreement between Bechtel Jacobs and PACE and its Local 5-550 (Paducah, KY).
- C. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the PACE collective bargaining unit covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with the work to be performed on the Project pursuant to this subcontract. Thereafter, SUBCONTRACTOR will not change any of the terms and conditions of employment without bargaining in good faith with PACE, to the extent that it is required to do so by the dictates of the National Labor Relations Act.

- D. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with its performance of the work covered by this subcontract.
- E. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operate in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with Bechtel Jacobs Company LLC contract with the Department of Energy.
- F. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.
- G. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.

3. PACE NON-COVERED WORK (Service Contract Act) (no workforce transition)

- A. For any portion of the Scope of Work (Exhibit D) that is identified as “PACE Non-Covered Work; no PACE workforce transition,” the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, SUBCONTRACTOR agrees to obtain its workers in accordance with the agreement between Bechtel Jacobs Company LLC and PACE currently identified as item 11.B., which requires hiring in the following order:
 - 1. Recall:
 - a. First: those qualified bargaining unit employees in the same job classification as the vacancy exists who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;
 - b. Second: those qualified bargaining unit employees in the same job classification as the vacancy exists on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1);
 - 2. Job Bid:

The job bid opportunity is limited to employees of the particular employer who has the vacancy.
 - 3. a. First: those qualified bargaining unit employees in classifications other than the one the vacancy exists in who have been notified of a layoff with Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority;

- b. Second: those qualified bargaining unit employees in classifications other than the one the vacancy exists in on the recall list who were laid off (through involuntary separation) from Bechtel Jacobs and/or a subcontractor at Paducah, in order of seniority (Bechtel Jacobs will maintain a site-wide recall list by seniority of all laid off PACE employees covered by Section B.1.);
- 4. those qualified bargaining unit employees laid off or notified of lay off (through voluntary or involuntary separations) from USEC at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996, in order of seniority;
- 5. those qualified non-bargaining unit employees laid off (through involuntary separations) from Bechtel Jacobs or laid off from USEC (through involuntary or voluntary separations), and who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
- 6. those qualified bargaining unit employees laid off (through voluntary or involuntary separations) from Bechtel Jacobs or USEC at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
- 7. those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act; and then
- 8. those qualified bargaining unit employees receiving retirement benefits from USEC at Paducah, in order of seniority.

If no qualified employees can be obtained in a timely manner from these eight aforementioned sources, Bechtel Jacobs and/or its subcontractors may hire qualified employees from any source.

Prior to filling vacancies, Bechtel Jacobs and/or its subcontractor shall consult with PACE concerning the availability of employees on the USEC and Bechtel Jacobs recall list, and those eligible under Section 3161 of the FY 93 Defense Authorization Act.

- B. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the PACE collective bargaining unit covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize PACE as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR is not a "successor" employer as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize PACE upon showing that a majority of the non-supervisory employees performing work in an appropriate unit under a subcontract have signed a PACE union authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs and PACE until such time as the parties conclude a labor contract on these terms, or, consistent with the National Labor Relations Act, agree to modify non-economic terms of the agreement. (The SUBCONTRACTOR and PACE shall select and use a mutually agreeable neutral third party to review and count cards and/or resolve any disputes.)
- C. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National

Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and PACE in connection with its performance of the work covered by this subcontract.

- D. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operate in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with Bechtel Jacobs Company LLC contract with the Department of Energy.
- E. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other Subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by Bechtel Jacobs Company LLC.
- F. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this Subcontract, the occurrence of any such displacement shall not be the basis for claims under this Subcontract.

	Top rate of classification being entered, if previously topped out, or if within 3 months of being topped out in the same, equal or higher classification.	3 months from top rate of classification being entered that requires extensive training (see attached classifications)	3 months from top rate of classification being entered that requires nonextensive training (see attached classifications)	Start rate of trainee classification
Successful qualified (PACE) bidder for posted job bids	X₁	X₂	X₂	
Employees hired into the trainee classification which must include a bonafide training program				X
Employees hired into classifications for which a bonafide training program has been established, i.e., 2/c, for classifications commonly referred to as "craft" positions	X₁	X		
Employees hired from "off the street," journey level who are not addendum (agreement) eligible		X	X	
Former USEC, BJC or BJC subcontractor PACE workers hired into <u>same classification</u> from which vacated	X₁	X₂	X₂	
Former USEC, BJC or BJC subcontractor PACE workers hired into <u>"lower" classification</u> from which vacated	X₁		X₂	
Former BJC or BJC subcontractor PACE workers hired into <u>equal classification</u> from which vacated	X₁	X₂	X₂	
Displaced PACE workers from USEC who have seniority to displace the least senior BJC or subcontractor PACE worker <u>in the same classification</u>	X₁	X₂	X₂	
Displaced PACE workers from USEC who have seniority to displace the least senior BJC or subcontractor PACE worker <u>in lower classification</u>	X₁		X₂	
Displaced PACE workers from BJC or BJC subcontractors who can displace the least senior BJC or subcontractor PACE worker <u>in the same or equal classification</u>	X₁	X₂	X₂	
Displaced PACE workers from BJC or BJC subcontractors who can displace the least senior BJC or subcontractor PACE worker <u>in lower classification</u>	X₁		X₂	

**Extensive Training
Classifications**

Maintenance Mechanic
Machinist
Heavy Equipment Mechanic
Garage Mechanic
Instrument Mechanic
Electrical Mechanic
Refrigeration
Sheet Metal Worker

Heavy Equipment Operator

**Nonextensive Training
Classifications**

Truck Driver
Operator
Operator B
Material Handler
Lubricator
Laborer
Janitor
Protective Clothing & Equipment
Processor
Window Washer
Painter
Carpenter

If additional classifications of the contract are added under the scope of work, a determination will be made regarding the appropriate level of training as either extensive or nonextensive

Any pay action already taken that provides more benefit for a worker will be recognized as a "one-time, nonprecedent-setting" occurrence. If pay actions have occurred that provide less of a pay benefit than provided by this matrix, such retroactive action will occur to be in compliance with this matrix.

ATTACHMENT “B”
of
Addendum
Between
Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")
and
Paper, Allied-Industrial, Chemical and Energy Workers International Union
and its Local No. 5-550 (hereinafter PACE or the “Union”)

The following subcontracts were awarded prior to the negotiation of the Addendum between PACE and its Local 5-550 and Bechtel Jacobs Company, as defined in Article 15 of the Addendum, as follows:

23900-SC-RM086F	Remedial Action Assessments (includes North/South Diversion Ditch trenching)
23900-SC-RM058F	Lasagna Operations
23900-SC-RM057U	WAGs 28/3/8/Data Gaps
23900-SC-RM052U	NE/NW Plume Operations
23900-SC-RM056F	Environmental Services

Attachment “C”
of the
Addendum
Between
Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")
and
Paper, Allied-Industrial, Chemical and Energy Workers International Union,
and its Local No. 5-550 (hereinafter PACE or the “Union”)

BENEFIT PLANS

Attachment "D"

of the

Addendum

Between

Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")

and

Paper, Allied-Industrial, Chemical and Energy Workers International Union,

and its Local No. 5-550 (hereinafter PACE or the "Union")

- (1) LAYOFF LIABILITY AGREEMENT,**
- (2) PENSION ASSET TRANSFER AGREEMENT BETWEEN BECHTEL JACOBS AND USEC,**
- (3) PENSION ASSET TRANSFER AGREEMENT BETWEEN USEC AND BECHTEL JACOBS,**
- (4) ASSET TRANSFER AGREEMENT (SAVINGS)**

Attachment “E”

of the

Addendum

Between

Bechtel Jacobs Company LLC (hereinafter "Bechtel Jacobs" or the "Company")

and

Paper, Allied-Industrial, Chemical and Energy Workers International Union,

and its Local No. 5-550 (hereinafter PACE or the “Union”)

**Definitions, Rules, and Statement of Intent as Originally Negotiated by the Parties in the
PACE/BJC Contract**

1. The term “laid off” shall describe those employees who have been displaced, due to an involuntary reduction in force, from BJC, or a sub of BJC at the Paducah site AND who presently are not employed at the Paducah site by BJC, or a BJC subcontractor. These are the only employees who will be carried on the BJC site-wide recall list. Employees will be removed from the recall list as per terms contained in this contract.
2. Employees “laid off” from USEC will not be carried on the BJC site-wide recall list. Former BJC or BJC subcontractor employees who were displaced due to an involuntary reduction in force from employment with BJE or a BJC subcontractor and who are not presently employed by BJC or a BJC subcontractor in any capacity will be carried on the BJC site-wide recall list. Recall to employment with BJC or a BJC subcontractor will only be from the BJC site-wide recall list and will be limited to those on the list in the same job classification in which additional manpower need exists.
3. In the event a former employee accepts a job with BJC or a BJC subcontractor at the Paducah site the employee’s name is removed from any, and all recall lists it may have appeared on among BJC or BJC subcontractors. (This will not result in the removal of the employee’s name from any USEC recall lists it may appear on.)
4. “Recall” is only allowable to the job classification actually displaced from.
5. Bumping from USEC will be administered in the following manner. An employee being involuntarily “laid off” from USEC shall, if his/her seniority allows, displace the least senior employee among BJC and BJC’s subcontractors in the exact job classification the employee was displaced from at USEC. If the employee’s seniority is not sufficient to allow him/her to displace into the exact same classification they left at USEC, the employee must then look to displace into classifications with LOWER rates of pay than the one the employee was displaced from. The lower pay rated job classifications will be looked at in descending order until a classification is found into which the employee in question has sufficient plant seniority to “bump” into. The employee will then displace the least senior employee within

that job classification or job classification group if the bumping employee is qualified for the job.

6. Workers presently employed by BJC or a BJC subcontractor will not be eligible to be included on the BJC site-wide recall list and will have no recall rights to any position with BJC or a BJC subcontractor. Any such workers will not be included in the consideration given under steps 1.b or 3.b of the preference in hiring steps in the “Filling Vacancies” section of the PACE/BJC Addendum due to the fact that they are not “on the recall list”.
7. Job bids will be awarded to the qualified bidder with the greatest plant seniority (only PACE employees of the employer with which the vacancy exists may bid).
8. If a worker quits a job with BJC or a BJC subcontractor in order to accept a different job with BJC or a BJC subcontractor that person will lose all company service credit accumulated prior to hiring into the new job. The worker would, however, retain their bargaining unit seniority.
9. In case of an involuntary reduction in force from BJC or a BJC subcontractor the affected employee may displace into an “equal or lower rated job classification” in accordance with the terms outlined in this contract.

Leon Owens
PACE President

Date

David Fuller
BJC Labor Relations

Date